

FOCUS DYNAMICS GROUP BERHAD (Registration No: 200201015261 (582924-P))
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 JUNE 2024

THE FIGURES HAVE NOT BEEN AUDITED

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		UNAUDITED CURRENT QUARTER ENDED	UNAUDITED COMPARATIVE QUARTER ENDED	UNAUDITED CUMULATIVE PERIOD TO DATE	UNAUDITED CUMULATIVE PRECEDING YEAR TO DATE
		30/06/2024 RM'000	30/06/2023 RM'000	30/06/2024 RM'000	30/06/2023 RM'000
CONTINUING OPERATIONS					
REVENUE	A8	21,411	17,551	65,040	N/A
COST OF SALES		(8,267)	(6,040)	(25,822)	N/A
GROSS PROFIT		13,144	11,511	39,218	N/A
OTHER INCOME		913	125	4,708	N/A
OTHER OPERATING EXPENSES		(15,064)	(13,669)	(43,863)	N/A
(LOSS)/PROFIT FROM OPERATIONS		(1,007)	(2,033)	63	N/A
INTEREST INCOME		57	2,428	227	N/A
INTEREST EXPENSES		(858)	(835)	(2,510)	N/A
(IMPAIRMENT LOSS) / REVERSAL OF IMPAIRMENT LOSS ON FINANCIAL ASSETS		(35)	(4,434)	3,704	N/A
FAIR VALUE LOSS ON MARKET SECURITIES		(692)	59	(2,822)	N/A
(IMPAIRMENT LOSS) / REVERSAL OF IMPAIRMENT LOSS ON INVESTMENT IN ASSOCIATES		(2,069)	1,113	2,936	N/A
IMPAIRMENT OF GOODWILL		-	(1,755)	-	N/A
GAIN ON DISPOSAL OF SUBSIDIARIES		-	60	-	N/A
SHARE OF PROFIT/(LOSS) ON INVESTMENT IN ASSOCIATE		8	(1,894)	(2,486)	N/A
LOSS BEFORE TAX		(4,596)	(7,291)	(888)	N/A
INCOME TAX EXPENSE	B6	(197)	(1,298)	(1,208)	N/A
LOSS FOR THE PERIOD		(4,793)	(8,589)	(2,096)	N/A
OTHER COMPREHENSIVE INCOME		-	-	-	N/A
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD		(4,793)	(8,589)	(2,096)	N/A
LOSS FOR THE PERIOD ATTRIBUTABLE TO:					
OWNERS OF THE COMPANY		(4,580)	(8,632)	(2,029)	N/A
NON-CONTROLLING INTEREST		(213)	43	(67)	N/A
		(4,793)	(8,589)	(2,096)	N/A
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD ATTRIBUTABLE TO:					
OWNERS OF THE COMPANY		(4,580)	(8,632)	(2,029)	N/A
NON-CONTROLLING INTEREST		(213)	43	(67)	N/A
		(4,793)	(8,589)	(2,096)	N/A
Weighted average no shares ('000)		6,372,206	6,372,206	6,372,206	N/A
Basic EPS (sen)		(0.07)	(0.14)	(0.03)	N/A
Weighted average no shares ('000)		7,275,569	7,275,569	7,275,569	N/A
Diluted EPS (sen)		(0.06)	(0.12)	(0.03)	N/A

NOTE:

1. The financial year end has been changed from 30 June to 30 September for financial period 2023. The last audited financial statements were for 15 months ended 30 September 2023. As such, there are no comparative figures for the period to date ended 30 September 2023. Comparative figures for the comparative quarter ended are disclosed for reference purpose only.

2. The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for financial period ended 30 September 2023 and the accompanying explanatory notes to this Interim Financial Statements.

3. N/A represent not applicable.

FOCUS DYNAMICS GROUP BERHAD (Registration No: 200201015261 (562924-P))
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

THE FIGURES HAVE NOT BEEN AUDITED

	UNAUDITED AS AT 30/06/2024 RM'000	AUDITED AS AT 30/09/2023 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	21,969	24,289
Rights-of-use assets	11,594	16,534
Investment in associates	12,913	12,463
Investment in quoted and unquoted shares	10,297	13,090
Prepaid expenses	114,307	89,000
Goodwill	88	88
	171,168	155,464
PROFIT FROM OPERATIONS		
Current Assets		
Inventories	16,072	13,068
Trade receivables	2,389	3,997
Other receivables, deposits and prepayments	9,272	12,855
Amount due from associate	2,987	2,241
Amount due from related parties	1,375	418
Short-term investments	20	20
Current tax assets	3,802	1,739
Fixed deposits with licenced banks	12,115	13,098
Cash and bank balances	10,436	23,735
	58,468	71,171
	229,636	226,635
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	218,640	218,640
Irredeemable convertible preference shares ("ICPS")	49,685	49,685
Reserve	(132,090)	(129,564)
	136,235	138,761
Non-controlling interest	(533)	(466)
Total Equity	135,702	138,295
Liabilities		
Non-Current Liabilities		
Lease liabilities	10,669	14,710
Other payable	25,127	-
Amount due to a related party	4,738	4,738
Deferred tax liabilities	31	31
	40,565	19,479
Current Liabilities		
Trade payables	6,572	23,433
Other payables and accruals	14,044	13,875
Provision for restoration costs	1,242	1,242
Amount due to associate	-	278
Amount due to related parties	15,502	15,397
Amount due to directors	911	-
Bank overdrafts	1,208	1,205
Lease liabilities	2,798	3,037
Term loan	10,000	10,000
Current tax liabilities	1,092	394
	53,369	68,861
Total Liabilities	93,934	88,340
	229,636	226,635
Number of ordinary shares ('000)	6,372,206	6,372,206
Net assets per share attributable to ordinary equity holders of the Company (sen)	2.14	2.18

NOTES:

- The financial year end has been changed from 30 June to 30 September for financial period 2023.
- The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for financial period ended 30 September 2023 and the accompanying explanatory notes to this Interim Financial Statements.
- Net assets per share is derived based on Focus Dynamics Group Berhad's consolidated net assets over the issued number of ordinary shares.

FOCUS DYNAMICS GROUP BERHAD (Registration No: 200201015261 (582924-P))
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 JUNE 2024

THE FIGURES HAVE NOT BEEN AUDITED

	-----Attributable to Owners of the Company----->							
	-----Non-distributable----->			Distributable				
	Share Capital	Irredeemable Convertible Preference Shares	Warrant Reserve	Foreign Exchange Reserve	Accumulated Losses	Attributable to owner of the company Total	Non- Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
At 1 July 2022	218,640	49,685	389,126	185	(494,456)	163,180	1,420	164,600
Loss for the period	-	-	-	-	(24,165)	(24,165)	(1,886)	(26,051)
Other comprehensive expenses for the period	-	-	-	(254)	-	(254)	-	(254)
Total comprehensive Income/(Expenses) for the period	-	-	-	(254)	(24,165)	(24,419)	(1,886)	(26,305)
At 30 September 2023	<u>218,640</u>	<u>49,685</u>	<u>389,126</u>	<u>(69)</u>	<u>(518,621)</u>	<u>138,761</u>	<u>(466)</u>	<u>138,295</u>
At 1 October 2023	218,640	49,685	389,126	(69)	(518,621)	138,761	(466)	138,295
Loss for the period	-	-	-	-	(2,029)	(2,029)	(67)	(2,096)
Other comprehensive expenses for the period	-	-	-	(47)	-	(47)	-	(47)
Total comprehensive expenses for the period	-	-	-	(47)	(2,029)	(2,076)	(67)	(2,143)
Dividends paid to minority shareholders	-	-	-	-	(450)	(450)	-	(450)
At 30 June 2024	<u>218,640</u>	<u>49,685</u>	<u>389,126</u>	<u>(116)</u>	<u>(521,100)</u>	<u>136,235</u>	<u>(533)</u>	<u>135,702</u>

NOTE:

The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Audited Financial Statements for the financial period ended 30 September 2023 and the accompanying explanatory notes to this Interim Financial Statements.

FOCUS DYNAMICS GROUP BERHAD (Registration No: 200201015261 (582924-P))
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 JUNE 2024

	UNAUDITED 9 MONTHS ENDED 30/06/2024 RM'000	AUDITED 15 MONTHS ENDED 30/09/2023 RM'000
CASH FLOWS (USED IN)/GENERATED FROM OPERATING ACTIVITIES		
Loss before tax	(888)	(22,505)
<u>Adjustments for:</u>		
Assignment of debts from former shareholders	-	(785)
Bad debts written off	-	1
Depreciation of property, plant and equipment ("PPE")	5,102	8,262
Depreciation of right-of-use assets ("RUA")	2,838	4,347
Dividend income	-	(1)
Fair value gain on short-term investment	-	(27)
Fair value loss on investment in quoted shares	2,822	8,386
Gain on disposal of PPE	(835)	(44)
Loss on lease modification (net)	-	433
Gain on disposal of joint venture	-	(585)
Gain on disposal of RUA	-	(16)
Gain on disposal of subsidiaries	-	(4,773)
Gain on lease liabilities written-off due to early termination	(3)	(1,419)
Impairment losses on:		
- trade receivables	-	3,945
- amount due from related parties	-	11
Impairment on investment in associates	-	2,030
Impairment on goodwill	-	3,109
Impairment loss on PPE	-	170
Impairment loss on prepaid expenses	-	7,130
Interest expenses on lease liabilities	2,171	3,019
Interest expense	339	261
Interest income	(227)	(462)
Products development expenditure written-off	-	813
Property, plant and equipment written-off	7	53
Reversal of Impairment losses on:		
- trade receivables	(3,704)	(69)
- amount due from joint venture	-	(2,156)
- products development expenditure	-	(813)
- investment in associates	(2,936)	-
Share of loss on investment in associates	2,486	4,202
Unrealised foreign exchange gain	-	(597)
Waiver of debts	(134)	-
Operating profit before working capital changes	7,038	11,920
(Increase)/Decrease in Inventories	(3,004)	1,821
Decrease in receivables	8,895	14,290
Increase in payables	9,480	16,646
Increase in amount due from associates	(746)	(2,241)
(Increase)/Decrease in amount due from related parties	(957)	2,574
(Decrease)/Increase in amount due to associates	(278)	278
Increase in amount due to related parties	105	466
Decrease in amount due to joint venture	-	(9)
Cash generated from operations	20,533	45,745
Interest received - other than fixed deposits	29	300
Interest paid	(339)	(222)
Income tax paid	(2,573)	(5,361)
Income tax refunded	-	388
Net cash generated from operating activities	17,650	40,850

FOCUS DYNAMICS GROUP BERHAD (Registration No: 200201015261 (582924-P))
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 JUNE 2024

	UNAUDITED 9 MONTHS ENDED 30/06/2024 RM'000	AUDITED 15 MONTHS ENDED 30/09/2023 RM'000
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of a subsidiary with non-controlling interest	-	(432)
Addition to prepaid expenses	(25,307)	(61,351)
Disposal of subsidiaries, net of cash and cash equivalents	-	5,616
Increase in pledged fixed deposits with licensed banks	(9)	(10,144)
Interest received - fixed deposits	198	162
Investment in associates	-	(3)
Investment in quoted shares	-	(4,517)
Proceeds from disposal of PPE	6,629	6,108
Proceeds from disposal of RUA	-	95
Purchase of PPE	(8,563)	(22,223)
Net cash used in investing activities	<u>(27,052)</u>	<u>(86,689)</u>
CASH FLOWS (USED IN)/GENERATED FROM FINANCING ACTIVITIES		
Repayments of term loan	-	(39)
Repayments of lease liabilities	(2,195)	(3,670)
Interest paid on lease liabilities	(2,171)	(2,958)
Drawdown of revolving credit	-	10,000
Drawdown of term loan	-	3,640
Interest paid on term loan	-	(73)
Dividends paid to minority shareholders	(450)	-
Net cash (used in)/generated from financing activities	<u>(4,816)</u>	<u>6,900</u>
Net decrease in cash and cash equivalent	(14,218)	(38,939)
Cash and cash equivalent at beginning of period	24,054	62,904
Effect of foreign currency translation	(76)	62
Fair value gain on short term investments	-	27
Cash and cash equivalent at end of period	<u>9,760</u>	<u>24,054</u>
Cash and cash equivalent comprise:		
Cash and bank balances	10,436	23,735
Short-term investments	-	20
Fixed deposits with licensed banks	12,135	13,098
Bank overdraft	(1,208)	(1,205)
	<u>21,363</u>	<u>35,648</u>
Less: Fixed deposits pledged to licensed bank	<u>(11,603)</u>	<u>(11,594)</u>
	<u>9,760</u>	<u>24,054</u>

* Denotes amount below RM1,000

NOTES:

1. The financial year end has been changed from 30 June to 30 September. The previous reporting financial period was for a period of 15 months, made up from 1 July 2022 to 30 September 2023. Comparative figures are disclosed for reference purpose only.
2. The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the financial period ended 30 September 2023 and the accompanying explanatory notes to this Interim Financial Statements.

**Focus Dynamics Group Berhad (“Focus” or the “Company”)
(Registration No: 200201015261 (582924-P))
Interim Financial Report for the nine (9) months period ended 30 June 2024**

**PART A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARD 134 (“MFRS 134”) INTERIM FINANCIAL REPORTING**

A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standards (“MFRSs”) No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), and Paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Securities”) ACE Market Listing Requirements (“ACE Listing Requirements”) and should be read in conjunction with the audited financial statements of the Company and its subsidiaries (“Group”) for the financial period ended 30 September 2023. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial period ended 30 September 2023.

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the financial statements for the financial period ended 30 September 2023, except for the adoption of the following new Amendments to MFRSs issued by MASB, effective for the annual periods beginning on or after 1 July 2022:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)		Effective Date
MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108:	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112:	Income Taxes	1 January 2023
Amendments to MFRS 7:	Financial Instruments: Disclosures	1 January 2024
Amendments to MFRS 16:	Leases	1 January 2024
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2024
Amendments to MFRS 107:	Statement of Cash Flows	1 January 2024
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
Amendments to MFRS 10:	Consolidated Financial Statements	Deferred
Amendments to MFRS 128:	Investments in Associates and Joint Ventures	Deferred

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and the Company upon their initial application.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report for the audited financial statements of the Company and its subsidiaries for the financial period ended 30 September 2023 was not subject to any qualification.

A3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's business operational results are not materially affected by any major seasonal or cyclical factors.

A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

During the current quarter under review, there were no unusual items or events that affected the assets, liabilities, equity, net income or cash flows, to the effect that is unusual nature, size or incidence.

A5. MATERIAL ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have a material effect on the current quarter and financial period-to-date results under review.

A6. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayment of debt and equity securities during the current financial period.

A7. DIVIDEND DECLARED

No dividend has been declared or paid by the Company during the current quarter under review.

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A8. SEGMENT INFORMATION

Segment information is provided based on three (3) major business segments, i.e. investment holding, property investment and management and food & beverage (“F&B”). Expenses, assets and liabilities which are common and cannot be meaningfully allocated to the segments are presented under allocated expenses, assets and liabilities respectively.

Business segments in revenue and results of the Company and its subsidiaries (“Group”) for the cumulative period to date ended 30 June 2024 are as follows:-

	←----- Results for 9 months ended 30 June 2024 ----->						
	Investment holding RM'000	Property investment and management RM'000	F&B RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidation RM'000
Revenue							
External revenue	-	-	65,040	-	65,040	-	65,040
Intersegment revenue	-	-	4,636	-	4,636	(4,636)	-
Total revenue	-	-	69,676	-	69,676	(4,636)	65,040
Results							
Segment results	(1,205)	(400)	1,762	164	321	(258)	63
Interest income	137	-	89	1	227	-	227
(Loss)/Profit from operations	(1,068)	(400)	1,851	165	548	(258)	290
Interest expenses	-	-	(2,993)	(43)	(3,036)	526	(2,510)
Reversal of impairment losses on financial assets	-	-	3,704	-	3,704	-	3,704
Fair value loss on market securities	-	-	(2,822)	-	(2,822)	-	(2,822)
Net reversal of impairment loss on investment in associates	-	-	2,936	-	2,936	-	2,936
Share of loss in associates	-	-	(2,486)	-	(2,486)	-	(2,486)
(Loss)/Profit before taxation	(1,068)	(400)	190	122	(1,156)	268	(888)
Taxation	(40)	-	(1,168)	-	(1,208)	-	(1,208)
(Loss)/Profit for the period	(1,108)	(400)	(978)	122	(2,364)	268	(2,096)
Other information							
Depreciation of PPE	261	3	4,774	64	5,102	-	5,102
Depreciation of RUA	-	-	3,411	-	3,411	(573)	2,838
Gain on disposal of PPE	-	-	(835)	-	(835)	-	(835)
Gain on lease liabilities written-off due to early termination	-	-	(4)	-	(4)	1	(3)
PPE written off	-	-	7	-	7	-	7
Waiver of debts	-	-	(134)	-	(134)	-	(134)

	←----- Results for 9 months ended 30 June 2024 ----->						
	Investment holding RM'000	Property investment and management RM'000	F&B RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidation RM'000
Assets and Liabilities							
Segment assets	142,407	120,072	126,668	7,029	396,176	(170,430)	225,746
Current tax assets	671	-	3,131	-	3,802	-	3,802
	143,078	120,072	129,799	7,029	399,978	(170,430)	229,548
Goodwill							88
Consolidated assets							229,636
Segment liabilities	11,171	125,930	243,136	7,479	387,716	(294,905)	92,811
Current tax liabilities	-	238	854	-	1,092	-	1,092
Deferred tax liabilities	-	-	31	-	31	-	31
Consolidated liabilities	11,171	126,168	244,021	7,479	388,839	(294,905)	93,934

Note:

1. The financial year end has been changed from 30 June to 30 September. The previous reporting financial period was for a period of 15 months, made up from 1 July 2022 to 30 September 2023. As such, there are no comparative figures for the cumulative 9-months period to-date ended 30 June 2024.

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A9. MATERIAL EVENTS

There is no significant event during the current quarter under review.

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no changes in the valuation of property, plant and equipment since the latest audited financial statements for the financial period ended 30 September 2023.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There are no changes in the composition of the Group during the quarter under review.

A12. CONTINGENT ASSETS AND LIABILITIES

There were no contingent liabilities or contingent assets since the last financial period ended 30 September 2023.

A13. CAPITAL COMMITMENTS

Capital expenditure as at 30 June 2024 are as follows:-

	As at 30.06.2024
	RM'000
Approved and contracted for:	
Construction of building (The Arch)	<u>23,527,842</u>

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**Focus Dynamics Group Berhad (“Focus” or the “Company”)
(Registration No: 200201015261 (582924-P))**

Interim Financial Report for nine (9) months period ended 30 June 2024

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

B1. REVIEW OF PERFORMANCE

CURRENT QUARTER COMPARED TO THE CORRESPONDING QUARTER

	Individual Quarter Unaudited		Changes RM'000 %	
	Current quarter ended 30.06.2024 RM'000	Corresponding quarter ended 30.06.2023 RM'000		
Revenue	21,411	17,551	3,860	21.99
Gross profit	13,144	11,511	1,633	14.19
Loss before interest and tax	(3,795)	(8,884)	5,089	57.28
Loss before tax	(4,596)	(7,291)	2,695	36.96
Loss after tax	(4,793)	(8,589)	3,796	44.20
Loss attributable to ordinary equity holders of the parent	(4,580)	(8,632)	4,052	46.94

The Company changed its financial year end from 30 June to 30 September and therefore, the previous financial period were for 15 months, made up from 1 July 2022 to 30 September 2023. As such, there is no comparative figures for the cumulative 9-months period to-date ended 30 June 2023.

The Group recorded a revenue of RM21.411 million for the current financial quarter ended 30 June 2024 as compared to RM17.551 million in the previous year's corresponding quarter, representing an increase of RM3.860 million or 21.99%. This was mainly due to the increase in sales for the Food and Beverage (“F&B”) segment.

The Group registered a loss after tax (“LAT”) of RM4.793 million for the current quarter ended 30 June 2024 as compared to LAT of RM8.589 million in the previous year's corresponding quarter, representing a decrease RM3.796 million or 44.20%. This was mainly due to the following:

- (i) an impairment loss on financial assets of RM0.035 million for the current quarter ended 30 June 2024 as compared with the impairment loss on financial assets amounted to RM4.434 million for the previous year's corresponding quarter;
- (ii) an impairment loss on investment in associates of RM2.069 million for the current quarter ended 30 June 2024 as compared with reversal of impairment loss on investment in associates amounted to RM1.113 million for the previous year's corresponding quarter;
- (iii) an impairment of goodwill of RM1.755 million for the previous year's corresponding quarter; and
- (iv) share of profit on investment in associate of RM0.008 million for the current quarter ended 30 June 2024 as compared with share of loss on investment in associate of RM1.894 million for the previous year's corresponding quarter.

B2. COMPARISON OF CURRENT QUARTER RESULTS WITH THE PRECEDING QUARTER

	Current quarter ended 30.06.2024 RM'000	Preceding quarter ended 31.03.2024 RM'000	Changes	
			RM'000	%
Revenue	21,411	21,541	(130)	(0.60)
Gross profit	13,144	12,870	274	2.13
Loss before interest and tax	(3,795)	(983)	(2,812)	(286.06)
Loss before tax	(4,596)	(1,674)	(2,922)	(174.55)
Loss after tax	(4,793)	(1,940)	(2,853)	(147.06)
Loss attributable to ordinary equity holders of the parent	(4,580)	(1,789)	(2,791)	(156.01)

The Group recorded a revenue of RM21.411 million for the current quarter ended 30 June 2024 as compared to RM21.541 million in the preceding quarter, representing a decrease of RM0.130 million or 0.60%.

The Group registered a LAT of RM4.793 million for the current quarter as compared to LAT of RM1.940 million in the preceding quarter mainly due to the following:

- (v) an impairment loss on financial assets of RM0.035 million for current quarter as compared with the reversal of impairment loss on financial assets amounted to RM3.718 million for preceding quarter;
- (vi) fair value loss on investment in quoted shares increased from RM0.429 million for preceding quarter to RM0.692 million for current quarter; and
- (vii) an impairment loss on investment in associates of RM2.069 million for current quarter as compared with impairment loss on investment in associates amounted to RM1.972 million for preceding quarter.

B3. COMMENTARY ON PROSPECTS

The Group continues to concentrate its management resources on its F&B segment and Property Investment segment, which we believe will provide positive medium term growth. On this note, management will:-

- (i) continue its diversification initiative to develop a mixed commercial development which will feature retail/ F&B lots, ballroom /exhibition centre, a Chinese restaurant, a seafood restaurant, a karaoke centre and car parks in a 5-storey building with a basement level to be erected on a piece of land next to TREC KL and the Tun Razak Exchange; and
- (ii) leverage on its existing F&B outlets, namely "Chaze", "LAVO", "Bounce", "Lavo Gallery", "FINCH", "Diao Yu Tai", "The Lemon Tree", "Spark", "Sushi Mew", "Sushi Qubey", "Ferria", "Alva" and "Annabell" to further expand its F&B business including amongst others, opening of additional outlets or launching new F&B brands.

The Board believes that the abovementioned initiatives in the F&B and property investment management should place the Group in a better position to further improve its financial performance in the near future, barring unforeseen circumstances.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as the Group did not publish any profit forecast or profit guarantee.

B5. NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current quarter ended 30.06.2024 RM'000	Cumulative period-to-date 30.06.2024 RM'000
Profit for the period is arrived at after charging		
Depreciation of property, plant and equipment ("PPE")	1,720	5,102
Depreciation of Right of Use Asset ("RUA")	880	2,838
Fair value loss on investment in quoted shares	692	2,822
Interest on lease liabilities	731	2,171
Interest expense	142	339
Property, plant and equipment written-off	7	7
Share of (profit)/loss on investment in associates	(8)	2,486
And after crediting		
Management fee	229	766
Interest income	57	227
Gain on disposal of PPE	(37)	835
Gain on lease liabilities written-off due to early termination	3	3
Waiver of debts	-	134

B6. INCOME TAX EXPENSE

	Current quarter ended 30.06.2024 RM'000	Cumulative period-to-date 30.06.2024 RM'000
Deferred tax	-	-
Current tax	197	1,208
Share of associate's tax expenses	-	-
Tax Expense	197	1,208

B7. STATUS OF CORPORATE PROPOSAL

There is no outstanding corporate proposal for the current quarter under review.

B8. GROUP BORROWINGS

The details of the Group's borrowings as at 30 June 2024 and 30 September 2023 are as follows:

	As at 30.06.2024 RM'000	As at 30.09.2023 RM'000
Current		
Bank overdraft – secured	1,208	1,205
Term loan – secured	10,000	10,000
	11,208	11,205

The Group does not have any foreign borrowings as at the date of this report.

B9 LEASE LIABILITIES

	As at 30.06.2024 RM'000	As at 30.09.2023 RM'000
As at 1 October 2023/1 July 2022	17,747	20,378
Acquisition of a subsidiary	-	603
Additions during the period	45	12,892
Adjustment due to lease modification	(2,090)	(490)
Adjustment due to early termination	(40)	(12,027)
Interest expense recognised in profit or loss	2,171	3,019
Repayment of principal	(2,195)	(3,670)
Repayment of interest expense	(2,171)	(2,958)
Balance	<u>13,467</u>	<u>17,747</u>
Analysed by:-		
Non-current liabilities	10,669	14,710
Current liabilities	2,798	3,037
Balance	<u>13,467</u>	<u>17,747</u>

B10. MATERIAL LITIGATION

The Group does not engage in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary companies and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies as at the date of this report.

B11. DIVIDEND

No dividend has been declared or paid during the current quarter under review and financial year-to-date.

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B12. EARNINGS PER SHARE**(a) Basic**

Basic loss per ordinary share is calculated by dividing the net loss for the financial period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

	Individual quarter		Cumulative quarter	
	Current quarter	Comparative quarter	Cumulative period-to-date	Cumulative preceding period-to-date
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Loss attributable to equity holders of the Company	(4,580)	(8,632)	(2,029)	N/A
Weighted average number of shares in issue ('000)	6,372,206	6,372,206	6,372,206	N/A
Basic loss per share (sen)	(0.07)	(0.14)	(0.03)	N/A

(b) Dilutive

For the purpose of calculating diluted loss per share, the net loss for the period attributable to the equity holders of the Company and the weighted average number of ordinary shares outstanding during the period have been adjusted for the dilutive effects of all potential ordinary shares from the exercise of Warrants and ICPS.

	Current quarter ended		Cumulative period-to-date	
	Current quarter	Comparative quarter	Cumulative period-to-date	Cumulative preceding period-to-date
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Loss attributable to equity holders of the Company	(4,580)	(8,632)	(2,029)	N/A
Weighted average number of shares in issue (shares split and ICPS conversion and full exercise of ICPS and Warrants D) ('000)	7,275,569	7,275,569	7,275,569	N/A
Diluted loss per share (sen)	(0.06)	(0.12)	(0.03)	N/A

B.13 Status of the Rights Issue Proceeds

The status of the utilisation of the proceeds raised from the right issue of 2,044,266,042 ICPS at an issue price of RM0.055 per share together with 3,066,399,051 Warrants D amounting to RM112,434,632 as at 30 June 2024:-

	Revised proposed utilisation RM'000	Actual utilisation RM'000	Balance of proceeds RM'000	Time frame for the utilisation of proceeds RM'000
Construction works for the Arch ⁽¹⁾	50,238	50,238	-	2 December 2023
Renovations, fixtures and fittings for the Arch ⁽¹⁾	11,730	754	10,976	Within 3 months from Completion of the Arch
Working capital for the Arch ⁽¹⁾	4,488	-	4,488	Upon completion of the Arch
Working capital for the Group	6,000	6,000	-	Within 24 months
Acquisition and/or investment in other complementary F&B businesses	20,125	20,125	-	Within 24 months
Defraying expenses	630	630	-	Immediate
Investment in F&B business and working capital ⁽¹⁾	⁽¹⁾ 19,224	19,224	-	Within 24 months
	<u>112,435</u>	<u>96,971</u>	<u>15,464</u>	

Note:

(1) With reference to the Clause 6 on the utilisation of proceeds of the Circular dated 17 September 2020, If the actual funding requirement for The Arch is less than the budgeted amount of RM85.68 million, any surplus funds can be reallocated for the acquisition and/or investment in other complementary F&B businesses or working capital. Thus, the surplus funds have been reallocated for the investment in F&B businesses and working capital.

B14. AUTHORITY FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

By order of the Board

WONG YUET CHYN
Company Secretary