**COMPANY ANNOUNCEMENT**
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2021**

The Board of Directors of Advance Synergy Berhad wishes to announce the unaudited financial results of the Group for the quarter and year ended 31 December 2021.

This interim report is prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2020.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

| | 3 months ended | | Year-to-date 12 months ended | |
|---|---|---|---|---|
| | 31.12.2021 Unaudited RM'000 | 31.12.2020 Restated RM'000 | 31.12.2021 Unaudited RM'000 | 31.12.2020 Restated RM'000 |
| Revenue | 41,675 | 30,824 | 116,285 | 117,240 |
| Cost of sales | (27,556) | (18,251) | (70,964) | (72,294) |
| Gross profit | 14,119 | 12,573 | 45,321 | 44,946 |
| Other operating income | 36,874 | 25,984 | 43,181 | 32,363 |
| Operating expenses | (25,387) | (27,412) | (79,158) | (94,812) |
| Profit/(Loss) from operations | 25,606 | 11,145 | 9,344 | (17,503) |
| Finance costs | (2,100) | (2,191) | (7,368) | (5,175) |
| Share of results of associates and joint venture | 17 | 20 | 101 | 142 |
| Profit/(Loss) before tax | 23,523 | 8,974 | 2,077 | (22,536) |
| Income tax expense | (1,056) | (2,598) | (3,486) | (4,358) |
| Net profit/(loss) for the financial period/year | 22,467 | 6,376 | (1,409) | (26,894) |
| Attributable to: | | | | |
| Owners of the parent | 12,422 | 1,885 | (11,269) | (30,628) |
| Non-controlling interests | 10,045 | 4,491 | 9,860 | 3,734 |
| | 22,467 | 6,376 | (1,409) | (26,894) |
| Earnings/(Loss) per share attributable to owners of the parent: | | | | |
| Basic (sen) | 1.34 | 0.20 | (1.21) | (3.30) |
| Diluted (sen) | 1.34 | 0.20 | (1.21) | (3.30) |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| | 3 months ended | | Year-to-date 12 months ended | |
|---|---|---|---|---|
| | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 |
| | Unaudited | Restated | Unaudited | Restated |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Net profit/(loss) for the financial period/year | 22,467 | 6,376 | (1,409) | (26,894) |
| Other comprehensive income/(expenses): | | | | |
| *Items that may be reclassified subsequently to profit or loss:* | | | | |
| Foreign currency translation differences for foreign operations | 762 | 2,944 | (1,003) | 4,986 |
| *Total items that may be reclassified subsequently to profit or loss* | 762 | 2,944 | (1,003) | 4,986 |
| *Items that will not be reclassified subsequently to profit or loss:* | | | | |
| Fair value through other comprehensive income financial assets | (1,194) | 611 | 2,825 | (2,203) |
| Revaluation of land and buildings | 1,687 | 1,067 | 1,687 | 1,067 |
| *Total items that will not be reclassified subsequently to profit or loss* | 493 | 1,678 | 4,512 | (1,136) |
| Other comprehensive income/(loss) for the financial period/year | 1,255 | 4,622 | 3,509 | 3,850 |
| Total comprehensive income/(loss) for the financial period/year | 23,722 | 10,998 | 2,100 | (23,044) |
| Attributable to: | | | | |
| Owners of the parent | 13,868 | 7,019 | (7,629) | (25,726) |
| Non-controlling interests | 9,854 | 3,979 | 9,729 | 2,682 |
| Total comprehensive income/(loss) for the financial period/year | 23,722 | 10,998 | 2,100 | (23,044) |

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Unaudited as at 31.12.2021 RM'000 | Restated as at 31.12.2020 RM'000 | Unaudited as at 1.1.2020 RM'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 243,305 | 199,018 | 179,132 |
| Right-of-use assets | 41,417 | 47,153 | 47,329 |
| Investment properties | 18,630 | 44,935 | 54,572 |
| Investment in associates and joint venture | 3,858 | 12,757 | 12,971 |
| Investment securities | 106,306 | 57,797 | 55,789 |
| Goodwill | 87,620 | 89,967 | 90,703 |
| Intangible assets | 2,329 | 2,717 | 3,021 |
| Deferred tax assets | 5,189 | 4,841 | 5,864 |
| | 508,654 | 459,185 | 449,381 |
| **Current assets** | | | |
| Inventories | 41,929 | 45,225 | 51,089 |
| Receivables, prepayments and contract assets | 89,209 | 77,451 | 119,163 |
| Tax recoverable | 2,662 | 2,401 | 3,721 |
| Investment securities | 4,189 | 5,162 | 1,400 |
| Financial assets held for trading | - | 8 | 462 |
| Short term deposits | 59,408 | 63,157 | 79,898 |
| Cash and bank balances | 67,285 | 57,860 | 47,922 |
| | 264,682 | 251,264 | 303,655 |
| **TOTAL ASSETS** | 773,336 | 710,449 | 753,036 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity attributable to owners of the Company** | | | |
| Share capital | 381,377 | 381,377 | 381,377 |
| Reserves | 71,972 | 71,341 | 100,319 |
| | 453,349 | 452,718 | 481,696 |
| Non-controlling interests | 83,837 | 70,266 | 69,072 |
| **Total equity** | 537,186 | 522,984 | 550,768 |
| **Non-current liabilities** | | | |
| Borrowings | 61,860 | 38,347 | 38,614 |
| Lease liabilities | 44,634 | 50,506 | 48,847 |
| Payables | 8,311 | 9,294 | 9,753 |
| Deferred tax liabilities | 4,358 | 4,017 | 5,146 |
| Provision for retirement benefit obligations | 1,413 | 1,386 | 1,923 |
| | 120,576 | 103,550 | 104,283 |
| **Current liabilities** | | | |
| Payables and contract liabilities | 62,886 | 53,452 | 74,187 |
| Borrowings | 43,489 | 19,111 | 10,163 |
| Lease liabilities | 7,502 | 6,339 | 8,090 |
| Tax payable | 1,697 | 5,013 | 5,545 |
| | 115,574 | 83,915 | 97,985 |
| **Total Liabilities** | 236,150 | 187,465 | 202,268 |
| **TOTAL EQUITY AND LIABILITIES** | 773,336 | 710,449 | 753,036 |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

| | Share Capital RM'000 | Revaluation Reserve RM'000 | Foreign Currency Translation Reserve RM'000 | Fair Value Reserve RM'000 | Retained Profits RM'000 | Total RM'000 | Non-Controlling Interests RM'000 | Total Equity RM'000 |
|---|---|---|---|---|---|---|---|---|
| Balance as at 1 January 2021, as previously reported | 381,377 | 15,614 | 12,793 | (3,537) | 42,827 | 449,074 | 67,659 | 516,733 |
| Prior year adjustment | - | - | (27) | - | 3,671 | 3,644 | 2,607 | 6,251 |
| Balance as at 1 January 2021 as restated | 381,377 | 15,614 | 12,766 | (3,537) | 46,498 | 452,718 | 70,266 | 522,984 |
| Net profit/(loss) for the financial year | - | - | - | - | (11,269) | (11,269) | 9,860 | (1,409) |
| Fair value of financial assets through other comprehensive income | - | - | - | 2,825 | - | 2,825 | - | 2,825 |
| Crystalisation of revaluation reserve | - | (137) | - | - | 137 | - | - | - |
| Revaluation of properties | - | 1,687 | - | - | - | 1,687 | - | 1,687 |
| Foreign currency translation differences for foreign operations | - | - | (872) | - | - | (872) | (131) | (1,003) |
| Total comprehensive income/(loss) the financial year | - | 1,550 | (872) | 2,825 | (11,132) | (7,629) | 9,729 | 2,100 |
| **Transactions with owners** | | | | | | | | |
| Dividend paid | - | - | - | - | (1,394) | (1,394) | - | (1,394) |
| Dividend paid to non-controlling interest of a subsidiary | - | - | - | - | - | - | (1,004) | (1,004) |
| Acquisition of a subsidiary | - | - | - | - | 9,654 | 9,654 | 4,846 | 14,500 |
| | - | - | - | - | 8,260 | 8,260 | 3,842 | 12,102 |
| Balance as at 31 December 2021 | 381,377 | 17,164 | 11,894 | (712) | 43,626 | 453,349 | 83,837 | 537,186 |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)**

| | Share Capital RM'000 | Revaluation Reserve RM'000 | Foreign Currency Translation Reserve Restated RM'000 | Fair Value Reserve RM'000 | Retained Profits Restated RM'000 | Total RM'000 | Non-Controlling Interests Restated RM'000 | Total Equity RM'000 |
|---|---|---|---|---|---|---|---|---|
| Balance as at 1 January 2020 | 381,377 | 14,547 | 6,728 | (1,334) | 80,378 | 481,696 | 69,072 | 550,768 |
| Net profit/(loss) for the financial year | - | - | - | - | (30,628) | (30,628) | 3,734 | (26,894) |
| Fair value of financial assets through other comprehensive income | - | - | - | (2,203) | - | (2,203) | - | (2,203) |
| Revaluation of properties | - | 1,067 | - | - | - | 1,067 | - | 1,067 |
| Foreign currency translation differences for foreign operations | - | - | 6,038 | - | - | 6,038 | (1,052) | 4,986 |
| Total comprehensive income/(loss) the financial year | - | 1,067 | 6,038 | (2,203) | (30,628) | (25,726) | 2,682 | (23,044) |
| **Transactions with owners** | | | | | | | | |
| Dividend paid | - | - | - | - | (3,252) | (3,252) | - | (3,252) |
| Dividend paid to non-controlling interests of a subsidiary | - | - | - | - | - | - | (1,488) | (1,488) |
| | - | - | - | - | (3,252) | (3,252) | (1,488) | (4,740) |
| Balance as at 31 December 2020 | 381,377 | 15,614 | 12,766 | (3,537) | 46,498 | 452,718 | 70,266 | 522,984 |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 DECEMBER 2021**

| | 12 months ended 31.12.2021 Unaudited RM'000 | 12 months ended 31.12.2020 Restated RM'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit/(Loss) before tax | 2,077 | (22,536) |
| Adjustments for:- | | |
| Non-cash items | (14,952) | 10,676 |
| Other investing and financing items | 5,951 | 3,125 |
| Operating loss before working capital changes | (6,924) | (8,735) |
| Changes in working capital | | |
| Inventories | 3,296 | 3,707 |
| Receivables | (11,573) | 29,112 |
| Financial assets held for trading | 8 | 455 |
| Payables | 8,799 | (19,907) |
| Net cash (used in )/generated from operations | (6,394) | 4,632 |
| Net tax paid | (7,062) | (3,175) |
| **Net cash (used in)/generated from operating activities** | (13,456) | 1,457 |
| **Cash flows from investing activities** | | |
| Acquisition of a subsidiary, net of cash acquired | (3,285) | - |
| Acquisition of held for trading investments | (3,707) | (6,981) |
| Acquisition of unquoted investment securities | (924) | (220) |
| Addition of intangible assets | (578) | (1,113) |
| Addition of investment properties | (2,107) | (11,860) |
| Interest received | 1,343 | 2,050 |
| Dividend received | 9,073 | - |
| Proceeds from disposal of held for trading investments | 1,974 | 4,899 |
| Proceeds from disposal of unquoted investment securities | 1,291 | 528 |
| Proceeds from disposal of property, plant and equipment | - | 26,804 |
| Proceeds from disposal of hotel management services | 5,000 | - |
| Purchase of property, plant and equipment | (18,043) | (15,672) |
| Withdrawal of pledged deposits | 3,721 | 683 |
| **Net cash used in investing activities** | (6,242) | (882) |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)**

| | 12 months ended 31.12.2021 Unaudited RM'000 | 12 months ended 31.12.2020 Restated RM'000 |
|---|---|---|
| **Cash flows from financing activities** | | |
| Dividend paid | (1,394) | (3,252) |
| Dividend paid to non-controlling interests of a subsidiary | (1,004) | (1,488) |
| Drawdown of borrowings | 53,508 | 15,475 |
| Interest paid | (7,368) | (5,175) |
| Repayment of borrowings | (5,128) | (4,333) |
| Repayment of lease liabilities | (3,975) | (4,664) |
| **Net generated from/(used in) financing activities** | 34,639 | (3,437) |
| Effect of exchange rate changes | (5,913) | (1,346) |
| **Net increase/(decrease) in cash and cash equivalents** | 9,028 | (4,208) |
| **Cash and cash equivalents as at beginning of the financial year** | | |
| As previously reported | 86,959 | 90,619 |
| Effect of exchange rate changes | 485 | 548 |
| As restated | 87,444 | 91,167 |
| **Cash and cash equivalents as at end of the financial year #** | 96,472 | 86,959 |
| **# Cash and cash equivalents at the end of the financial year comprising the following:** | | |
| Short term deposits | 59,408 | 63,157 |
| Cash and bank balances | 67,285 | 57,860 |
| Bank overdrafts | (238) | (354) |
| | 126,455 | 120,663 |
| Less: Deposits placed with lease payables as security deposit for lease payments | (10,339) | (13,409) |
| Cash held under Housing Development Accounts | (674) | (661) |
| Deposits pledged to licensed banks | (18,970) | (19,634) |
| | (29,983) | (33,704) |
| | 96,472 | 86,959 |

## NOTES TO THE INTERIM FINANCIAL REPORT

### 1. Basis of preparation

The unaudited interim financial report has been prepared in compliance with MFRS 134 – "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020.

### 2. Significant accounting policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2020, except for the adoption of the following Amendments/Improvements to Malaysian Financial Reporting Standard ("MFRS"):

| Amendments/ Improvements to MFRSs | |
|---|---|
| MFRS 4 | Insurance Contracts |
| MFRS 7 | Financial Instruments: Disclosures |
| MFRS 9 | Financial Instruments |
| MFRS 16 | Leases |
| MFRS 139 | Financial Instruments: Recognition and Measurement |

The adoption of the above Amendments/Improvements to MFRSs will have no significant impact on the financial statements of the Group upon their initial application.

**New MFRS and Amendments/Improvements to MFRSs issued but not yet effective**

The following new MFRS and Amendments/Improvements to MFRSs that are issued but are not yet effective, have yet to be adopted by the Group:

| | | **Effective for financial periods beginning on or after** |
|---|---|---|
| New MFRS | | |
| MFRS 17 | Insurance Contracts | 1 January 2023 |
| | | |
| Amendments/Improvements to MFRSs | | |
| MFRS 1 | First-time Adoption of Malaysian Financial Reporting Standards | 1 January 2022^/ 1 January 2023# |
| MFRS 3 | Business Combinations | 1 January 2022/ 1 January 2023# |
| MFRS 5 | Non-current Assets Held for Sale and Discontinued Operations | 1 January 2023# |
| MFRS 7 | Financial Instruments: Disclosures | 1 January 2023# |

**2. Significant accounting policies (Continued)**

**New MFRS and Amendments/Improvements to MFRSs issued but not yet effective (Continued)**

| | | **Effective for financial periods beginning on or after** |
|---|---|---|
| Amendments/Improvements to MFRSs (Continued) | | |
| MFRS 9 | Financial Instruments | 1 January 2022^/ 1 January 2023# |
| MFRS 10 | Consolidated Financial Statements | Deferred |
| MFRS 15 | Revenue from Contracts with Customers | 1 January 2023# |
| MFRS 16 | Leases | 1 January 2022^ |
| MFRS 17 | Insurance Contracts | 1 January 2023 |
| MFRS 101 | Presentation of Financial Statements | 1 January 2023/ 1 January 2023# |
| MFRS 107 | Statement of Cash Flows | 1 January 2023# |
| MFRS 108 | Accounting Policies, Changes in Accounting Estimates and Errors | 1 January 2023 |
| MFRS 112 | Income Taxes | 1 January 2023 |
| MFRS 116 | Property, Plant and Equipment | 1 January 2022/ 1 January 2023# |
| MFRS 119 | Employee Benefits | 1 January 2023# |
| MFRS 128 | Investments in Associates and Joint Ventures | Deferred/ 1 January 2023# |
| MFRS 132 | Financial Instruments: Presentation | 1 January 2023# |
| MFRS 136 | Impairment of Assets | 1 January 2023# |
| MFRS 137 | Provisions, Contingent Liabilities and Contingent Assets | 1 January 2022/ 1 January 2023# |
| MFRS 138 | Intangible Assets | 1 January 2023# |
| MFRS 140 | Investment Property | 1 January 2023# |
| MFRS 141 | Agriculture | 1 January 2022^ |

^ *The Annual Improvements to MFRS Standards 2018-2020*

# *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*

**3. Audit Report**

The auditors' report on the financial statements for the financial year ended 31 December 2020 was not subject to any qualification.

**4. Seasonal or cyclical factors**

The operations of the Group for the financial quarter ended 31 December 2021 were not materially affected by any seasonal or cyclical factors.

## 5. Unusual items

There were no unusual significant items during the quarter under review.

## 6. Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the quarter under review.

## 7. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and/or repayments of debt and equity securities during the financial year ended 31 December 2021.

## 8. Dividends paid

A single tier dividend of 0.15 sen per ordinary share in respect of the financial year ended 31 December 2020 was paid on 18 August 2021 after obtaining the approval from the shareholders of the Company at the Annual General Meeting held on 30 June 2021.

**NOTES TO THE INTERIM FINANCIAL REPORT (Continued)**

**9. Segmental Information**

**For the financial year ended 31 December 2021**

| | Investment Holding | Hospitality | Information & Communications Technology | Property Development & Investment | Travel & Tours | Financial Services | Others | Elimina-tions | Total |
|---|---|---|---|---|---|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| **Revenue** | | | | | | | | | |
| External | 298 | 14,806 | 73,630 | 5,085 | 15,448 | 1,964 | 5,054 | - | 116,285 |
| Inter-segment | 16,261 | - | - | 1,675 | 20 | - | - | (17,956) | - |
| **Total revenue** | 16,559 | 14,806 | 73,630 | 6,760 | 15,468 | 1,964 | 5,054 | (17,956) | 116,285 |
| **Results** | | | | | | | | | |
| Segment results | 4,807 | (8,774) | 31,903 | (2,988) | (947) | (5,577) | (6,588) | (9,860) | 1,976 |
| Share of results of associates and joint venture | 111 | (10) | - | - | - | - | - | - | 101 |
| Profit/(Loss) before tax | 4,918 | (8,784) | 31,903 | (2,988) | (947) | (5,577) | (6,588) | (9,860) | 2,077 |
| Income tax expense | | | | | | | | | (3,486) |
| Net profit/(loss) for the financial year | | | | | | | | | (1,409) |
| Non-controlling interests | | | | | | | | | (9,860) |
| Net profit/(loss) for the financial year attributable to owners of the parent | | | | | | | | | (11,269) |

**NOTES TO THE INTERIM FINANCIAL REPORT (Continued)**

**9. Segmental Information (Continued)**

**For the financial year ended 31 December 2021 (Continued)**

| | Investment Holding | Hospitality | Information & Communications Technology | Property Development & Investment | Travel & Tours | Financial Services | Others | Elimina-tions | Total |
|---|---|---|---|---|---|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| **Other information** | | | | | | | | | |
| Segment assets | 63,573 | 276,862 | 236,197 | 125,944 | 11,468 | 21,420 | 26,162 | - | 761,626 |
| Investment in associates and joint venture | 3,750 | 108 | - | - | - | - | - | - | 3,858 |
| Unallocated corporate assets | | | | | | | | | 7,852 |
| Total assets | | | | | | | | | 773,336 |
| Segment liabilities | 5,900 | 144,284 | 23,186 | 38,403 | 3,450 | 7,238 | 7,634 | - | 230,095 |
| Unallocated corporate liabilities | | | | | | | | | 6,055 |
| Total liabilities | | | | | | | | | 236,150 |
| Capital expenditure: | | | | | | | | | |
| - Property, plant & equipment | 33 | 15,717 | 580 | 799 | - | 781 | 133 | - | 18,043 |
| - Software development expenditure | - | - | 578 | - | - | - | - | - | 578 |

**NOTES TO THE INTERIM FINANCIAL REPORT (Continued)**

## 9. Segmental Information (Continued)

**For the financial year ended 31 December 2020**

| | Investment Holding | Hospitality | Information & Communications Technology | Property Development & Investment | Travel & Tours | Financial Services | Others | Elimina-tions | Total |
|---|---|---|---|---|---|---|---|---|---|
| | RM'000 | RM'000 | Restated RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| **Revenue** | | | | | | | | | |
| External | 686 | 19,968 | 65,126 | 6,474 | 20,262 | 4,090 | 634 | - | 117,240 |
| Inter-segment | 13,333 | - | - | 424 | 1 | - | - | (13,758) | - |
| **Total revenue** | 14,019 | 19,968 | 65,126 | 6,898 | 20,263 | 4,090 | 634 | (13,758) | 117,240 |
| **Results** | | | | | | | | | |
| Segment results | (583) | (6,448) | 15,088 | (2,251) | (1,543) | (5,661) | (7,632) | (13,648) | (22,678) |
| Share of results of associates and joint venture | 140 | 2 | - | - | - | - | - | - | 142 |
| Profit/(Loss) before tax | (443) | (6,446) | 15,088 | (2,251) | (1,543) | (5,661) | (7,632) | (13,648) | (22,536) |
| Income tax expense | | | | | | | | | (4,358) |
| Net profit/(loss) for the financial year | | | | | | | | | (26,894) |
| Non-controlling interests | | | | | | | | | (3,734) |
| Net profit/(loss) for the financial year attributable to owners of the parent | | | | | | | | | (30,628) |

**NOTES TO THE INTERIM FINANCIAL REPORT (Continued)**

**9. Segmental Information (Continued)**

**For the financial year ended 31 December 2020 (Continued)**

| | Investment Holding | Hospitality | Information & Communications Technology | Property Development & Investment | Travel & Tours | Financial Services | Others | Elimina- tions | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | Restated | | | | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| **Other information** | | | | | | | | | |
| Segment assets | 66,822 | 259,469 | 186,430 | 115,791 | 19,943 | 23,589 | 18,406 | - | 690,450 |
| Investment in associates and joint venture | 12,640 | 117 | - | - | - | - | - | - | 12,757 |
| Unallocated corporate assets | | | | | | | | | 7,242 |
| Total assets | | | | | | | | | 710,449 |
| Segment liabilities | 5,266 | 89,213 | 19,200 | 40,159 | 6,570 | 9,757 | 8,269 | - | 178,434 |
| Unallocated corporate liabilities | | | | | | | | | 9,031 |
| Total liabilities | | | | | | | | | 187,465 |
| Capital expenditure: | | | | | | | | | |
| - Property, plant & equipment | 74 | 10,040 | 1,332 | 1,953 | 52 | 2,032 | 189 | - | 15,672 |
| - Software development expenditure | - | - | 1,113 | - | - | - | - | - | 1,113 |

**10. Property, plant and equipment**

The valuation of land and buildings had been brought forward without amendment from the financial statements for the financial year ended 31 December 2020.

**11. Significant events after the reporting period**

There are no significant events after the reporting period except as disclosed below:

(a) On 13 January 2022, Jiwa Baru Sdn Bhd ("JBSB") was incorporated with an issued share capital of RM100. JBSB is 60%-owned by Advance Synergy Realty Sdn Bhd, an indirect wholly-owned subsidiary of the Company, and 40%-owned by Campbell House Sdn Bhd.

(b) On 18 January 2022, the deregistration notice for Builderworks Pty Ltd and Home Cinema Studio Pty Ltd was published by Australian Securities and Investments Commission ("ASIC"). Both companies will be officially deregistered by ASIC 2 months thereafter.

**12. Changes in the composition of the Group**

(a) On 3 March 2021, Synergy Holidays Company Limited, a dormant indirect 50%-owned associate of the Company registered in the Republic of The Union of Myanmar, was liquidated.

(b) On 10 November 2021, Dama TCM Sdn Bhd ("Dama TCM"), an indirect wholly-owned subsidiary of the Company, acquired 1 ordinary share representing the remaining 50% equity interest in Medical Palace Sdn Bhd ("MPSB") not already owned by Dama TCM for a total cash consideration of RM1.00. On the same date, MPSB became a wholly-owned indirect subsidiary company of the Company.

(c) On 7 December 2021 ("Closing Date"), concurrent with the completion of the deed of settlement entered into between OOPA Pte Ltd ("OOPA"), Mr Bui Sy Phong ("Mr Bui") and Telio Pte Ltd ("Telio") on 25 October 2021 ("Deed"), Mr Bui together with his co-founders at an associated company, OOPA (who subsequently joined him in Telio), had transferred all their shares to all the other shareholders in OOPA including Captii Ventures Pte Ltd ("Captii Ventures"), a wholly-owned subsidiary of Captii Limited ("Captii"), a 58.3%-owned subsidiary of the Company (held via Worldwide Matrix Sdn Bhd, a wholly-owned subsidiary of the Company), and Strategic Research & Consultancy Sdn Bhd ("SRC"), a wholly-owned subsidiary of the Company. Accordingly, Captii Ventures and SRC hold a fully diluted interest of 54.7% and 5.75% in OOPA respectively and OOPA had become an indirect subsidiary of Captii held via Captii Ventures and an indirect subsidiary of the Company held via Captii and SRC as of the Closing Date.

**13. Changes in contingent liabilities**

There are no changes in contingent liabilities since the last annual statements of financial position as at 31 December 2020.

**14. Review of performance**

| | Year-to-date 12 months ended 31.12.2021 Unaudited RM'000 | 31.12.2020 Restated RM'000 | Changes RM'000 | % |
|---|---|---|---|---|
| Revenue | 116,285 | 117,240 | (955) | (0.8) |
| Profit/(Loss) from operations | 9,344 | (17,503) | 26,847 | 153.4 |
| Profit/(Loss) before tax | 2,077 | (22,536) | 24,613 | 109.2 |
| Net profit/(loss) for the financial year | (1,409) | (26,894) | 25,485 | 94.8 |
| Net profit/(loss) for the financial year attributable to the Owners of the Parent | (11,269) | (30,628) | 19,359 | 63.2 |

***Overall performance***

For the current financial year ended 31 December 2021 ("FY 2021"), the impact of the global coronavirus ("Covid-19") outbreak and movement control order ("MCO") continued to drag down the revenue of the Group resulting in the Group recording comparable revenue of RM116.3 million compared to RM117.2 million in the previous year ended 31 December 2020 ("FY 2020"). Various MCOs were imposed in the country over both years. All divisions reported lower revenue in FY 2021 compared to FY 2020 except for the Information & Communications Technology ("ICT") and Others divisions.

The Group recorded higher other operating income for FY 2021 compared to FY 2020 was mainly attributable to fair value gain assessed on the venture investment portfolio of RM6.7 million, fair value gain on remeasurement of the Group's previously held interest in an associate of RM15.8 million, negative goodwill arising on step-up of interest in an associate to subsidiary of RM5.0 million by the ICT division and proceeds from disposal of hotel management services contracts of RM7.0 million in FY 2021. The other operating income recorded in FY 2021 was partly offset by the absence of settlement of the court case of RM1.7 million in favour of one of the subsidiaries and a gain on disposal before tax of a land in Arosa, Switzerland of RM6.6 million in FY 2020.

Operating expenses reduced by approximately RM15.7 million from RM94.8 million in FY 2020 to RM79.2 million in FY 2021 mainly due to lower staff cost, distribution cost and other expenses in FY 2021 compared to FY 2020. The closure of Holiday Villa London, United Kingdom in the third quarter of 2020 also contributed to the lower operating expenses in FY 2021. The lower operating expenses were partly offset by higher finance costs in FY2021 compared to FY 2020.

With the higher other operating income and lower operating expenses, the Group recorded profit before tax of RM2.1 million compared to loss before tax of RM22.5 million in FY 2020.

## 14. Review of performance (Continued)

***Investment Holding***

In FY 2021, the division recorded higher revenue of RM16.6 million compared to the revenue of RM14.0 million in FY 2020. The higher revenue was mainly attributable to higher dividends from the subsidiaries which had no impact to the Group's revenue. The division reported profit before tax of RM4.9 million in FY 2021 compared to loss of RM0.4 million in FY 2020 mainly due to a fair value gain on investment securities in FY2021 as opposed to fair value loss in FY 2020 and fair value gain on remeasurement of the Group's previously held interest in an associate in FY 2021.

***Hospitality***

The Hospitality division recorded significantly lower revenue of RM14.8 million in FY 2021 compared to RM20.0 million in FY 2020, a decline of approximately RM5.2 million or 25.9%. The outbreak of Covid-19 continued to have adverse impact on the overall performance of the hotels operated and managed by the division. Besides that, closure of Holiday Villa London, United Kingdom in the third quarter of 2020 contributed to the overall lower revenue in FY 2021.

The division reported a higher loss before tax of RM8.8 million in FY 2021 compared to loss before tax of RM6.4 million in FY 2020 mainly attributable to the absence of settlement of the court case of RM1.7 million in favour of one of the subsidiaries and a gain on disposal before tax of a land in Arosa, Switzerland of RM6.6 million in FY2020 coupled with fair value loss on investment securities contracts of RM1.9 million recorded in FY 2021. This was partly offset by gain on disposal of hotel management services contracts of RM7.0 million in FY 2021 and lower operating expenses from closure of Holiday Villa London, United Kingdom in FY 2020.

***Information & Communications Technology***

The division recorded higher revenue of RM73.6 million in FY 2021 compared to RM65.1 million in FY 2020, an increase in revenue of RM8.5 million or approximately 13.1%. This was mainly due to higher revenue from Unifiedcomms business unit ("BU") which reported an increase in revenue of 25.9% in the current year under review compared to FY 2020 mainly driven by higher revenue from system sale and managed service contracts. The improved revenue from Unifiedcomms BU was accompanied by higher revenue from system sale from GlobeOSS BU.

With the increase in other operating income in FY 2021 compared to last year, the ICT division recorded higher profit before tax of RM31.9 million in FY 2021 compared to profit before tax of RM15.1 million in FY 2020. The higher other operating income in FY 2021 were mainly attributable to higher fair value gain assessed on the venture investment portfolio of RM6.1 million (FY 2020: RM5.7 million), fair value gain on remeasurement of the Group's previously held interest in an associate of RM13.7 million and negative goodwill arising on step-up of interest in an associate to subsidiary of RM5.0 million recognised in FY 2021.

## 14. Review of performance (Continued)

***Property Development & Investment***

The division recorded revenue of RM6.8 million in FY 2021, comparable to the revenue of RM6.9 million recorded in FY 2020. During the year under review, the property development unit, Advance Synergy Realty Sdn Bhd ("ASR"), recorded lower revenue compared to FY 2020 as less units of Taman Sri Matang project were sold in FY 2021 although the decrease in revenue was offset by improvement in revenue of ASR's subsidiaries, Temasya House Sdn Bhd ("THSB") and Osteria Gamberoni Sdn Bhd ("OGSB"). THSB recorded full year's rental income in 2021 although the bulk of the increase in rental income had no impact to the Group revenue as these were rental income from the subsidiaries. OGSB's revenue from the food and beverage ("F&B") business which commenced operations in November 2020 contributed to the division's higher revenue in FY 2021 compared to FY 2020. The division's loss before tax increased by RM0.7 million from loss of RM2.3 million in FY 2020 to loss of RM3.0 million in FY 2021 mainly attributable to the higher operating expenditure incurred at the Yap Ah Shak House which had yet to commence operations in FY 2021.

***Travel & Tours***

The Covid-19 pandemic which resulted in the imposition of MCO in Malaysia and international travel restrictions has impacted the performance of the Travel & Tours division adversely. The first time MCO and travel restrictions were imposed in the country was on 18 March 2020 and since then, there were various forms of travel restrictions in the country and globally which continued to have adverse impact on the division up to the reporting period of FY 2021. The division reported substantially lower revenue in FY 2021 of RM15.5 million compared to RM20.3 million in FY 2020, a drop in revenue of RM4.8 million or approximately 23.7%. Despite the substantially lower revenue, with the lower operating expenses due mainly to lower payroll cost and the receipt of government subsidy allowances coupled with other income from rental reduction during the current year under review, the division recorded lower loss before tax of RM0.9 million in FY 2021 compared to loss before tax of RM1.5 in FY 2020.

***Financial Services***

Due to the adverse trading conditions resulting from the Covid-19 pandemic, our Financial Services division recorded lower revenue of RM2.0 million in FY 2021 compared to RM4.1 million in FY 2020. Both card & payment services and money services units reported lower revenue during the period under review. The flow-down effect of lower revenue was mitigated by concerted efforts to reduce operating cost. As a result, the division recorded comparable loss before tax of RM5.6 million and RM5.7 million in FY 2021 and FY 2020 respectively.

***Others***

The Others division registered higher revenue of RM5.1 million in FY 2021 compared to the revenue of RM0.6 million for FY 2020 mainly attributable to the higher revenue from the bus-body fabrication unit. The flow down effect of higher revenue resulted in the Others division recording a lower loss before tax of RM6.6 million in FY 2021 compared to loss before tax of RM7.6 million in FY 2020.

**15. Comparison of results with immediate preceding quarter**

| | Quarter 3 months ended 31.12.2021 Unaudited RM'000 | Quarter 3 months ended 30.09.2021 Unaudited RM'000 | Changes RM'000 | Changes % |
|---|---|---|---|---|
| Revenue | 41,675 | 26,658 | 15,017 | 56.3 |
| Profit/(Loss) from operations | 25,606 | (4,439) | 30,045 | 676.8 |
| Profit/(Loss) before tax | 23,523 | (6,057) | 29,580 | 488.4 |
| Net profit/(loss) for the financial period | 22,467 | (7,350) | 29,817 | 405.7 |
| Net profit/(loss) for the financial period attributable to the Owners of the Parent | 12,422 | (6,808) | 19,230 | 282.5 |

***Overall performance***

The Group recorded higher revenue of RM41.7 million for current quarter ended 31 December 2021 (“Q4 2021”) compared to the revenue of RM26.7 million in the immediate preceding quarter ended 30 September 2021 (“Q3 2021”), an increase of RM15.1 million or approximately 56.3%. With the higher revenue and higher other operating income partly offset by higher operating expenses and finance costs, the Group recorded profit before tax of RM23.5 million in Q4 2021 compared to loss before tax of RM6.1 million in Q3 2021. The higher operating income in Q4 2021 was mainly attributable to fair value gain assessed on the venture investment portfolio of RM6.4 million, fair value gain on remeasurement of the Group’s previously held interest in an associate of RM15.8 million, negative goodwill arising on step-up of interest in an associate to subsidiary of RM5.0 million and gain on disposal of hotel management services contracts of RM7.0 million in Q4 2021.

***Investment Holding***

The division reported higher revenue of RM14.3 million in Q4 2021 compared to the revenue of RM0.8 million in Q3 2021 mainly attributable to the dividends from the subsidiaries which had no impact to the Group’s revenue. The profit before tax of RM10.0 million in Q4 2021 recorded by the division compared to loss before tax of RM1.7 million in Q3 2021 was mainly attributable to the flow down effect of higher revenue and fair value gain on remeasurement of the Group’s previously held interest in an associate of RM2.1 million partly offset by impairment loss on investment in a subsidiary and amount due from subsidiaries which had no impact to the Group’s results.

***Hospitality***

The division recorded higher revenue of RM6.4 million in Q4 2021 compared to RM3.0 million in Q3 2021 with the country lifting the local movement restriction in Q4 2021. With the higher revenue coupled with gain on disposal of hotel management services contracts of RM7.0 million in Q4 2021 partly offset by impairment loss of goodwill recognised in Q4 2021, the division recorded profit before tax of RM2.5 million in Q4 2021 compared to loss before tax of RM2.6 million in Q3 2021.

**15. Comparison of results with immediate preceding quarter (Continued)**

***Information & Communications Technology***

The division registered higher revenue of RM22.1 million in Q4 2021 compared to RM17.9 million in Q3 2021 mainly due to higher revenue system sale contracts revenue of GlobeOSS BU. The higher profit before tax of RM25.7 million in Q4 2021 compared to the profit before tax of RM2.0 million in Q3 2021 was mainly attributable to fair value gain assessed on the venture investment portfolio of RM6.9 million, fair value gain on remeasurement of the Group’s previously held interest in an associate of RM13.7 million and negative goodwill arising on step-up of interest in an associate to subsidiary of RM5.0 million.

***Property Development & Investment***

Revenue of RM1.4 million was recorded in Q4 2021 compared to revenue of RM1.8 million recorded in Q3 2021. The decline in revenue was due to lower revenue recorded by the property development unit in Q4 2021 compared to Q3 2021 as all units in the Taman Matang project was fully sold in Q3 2021 offset by higher revenue from the F&B business of OGSB arising from the lifting of certain restrictions due to Covid-19 from October 2021. Despite the lower revenue, the division recorded lower loss before tax of RM0.7 million in Q4 2021 compared to loss before tax of RM1.1 million in the preceding quarter mainly attributable to better operating results from OGSB in the quarter under review.

***Travel & Tours***

The division recorded revenue of RM8.1 million in Q4 2021 compared to the revenue of RM3.1 million in Q4 2021 as a result of higher revenue from corporate ticketing and ticketing for Umrah flights during the quarter under review. With the higher revenue recorded in the current quarter under review, the division recorded minimal loss before tax of RM0.05 million in Q4 2021 compared to loss before tax of RM0.2 million in the preceding quarter.

***Financial Services***

The Financial Services division comprising the card & payment services and money services units recorded higher revenue of RM0.7 million in Q4 2021 compared to RM0.4 million in Q3 2021 with the country easing the lockdown in Q4 2021. However, there was a slight increase in loss before tax of RM1.6 million in the quarter under review compared to loss before tax of RM1.5 million in the preceding quarter mainly attributable to higher operating expenses in Q4 2021.

***Others***

The Others division recorded higher revenue of RM3.3 million in Q4 2021 compared to RM0.8 million in Q3 2021. Despite higher revenue, the division reported higher loss before tax of RM2.5 million in Q4 2021 compared to loss before tax of RM1.0 million in Q3 2021 mainly attributable to higher operating expenses in Q4 2021 coupled with absence of effect on modification to lease term adjustment for the education unit recognised in Q3 2021.

## 16. Prospects

As we enter the first quarter of fiscal 2022, the Covid-19 pandemic continues to dominate the global and local landscape. However, the country's aggressive Covid-19 vaccine roll-out augurs well to facilitate gradual recovery of our economy although this may again be threatened by the fast-spreading Omicron coronavirus variant. With uncertainty of economic recovery, the Group will continue to actively pursue measures to manage our operating costs and re-work on the future business plans to minimise any potential negative impact arising from the prolonged Covid-19 pandemic.

***Hospitality***

The continuous outbreak of Covid-19 coupled with its new Delta and Omicron coronavirus variants have aggravated adversely the financial result of our Hospitality division for fiscal 2022.

However, with the current aggressive vaccination programme in place, the division is hopeful that more travel restrictions will be relaxed which will allow the division an opportunity for a gradual recovery with the expected pent-up demand for travel. The latest proposal by the government to turn Langkawi into a pilot project for the tourism bubble and the interest of international airline to Langkawi will augur well for our hotel in Langkawi. The division will also place greater emphasis and be more aggressive and creative in marketing its packages to the respective local market of each country as it expects domestic demand to recover faster than international demand.

The upgrading of our hotel in Cherating is nearing its completion whereas the renovation of our aparthotel in Earls Court, London is underway. The renovation works were undertaken in this slow period of 2021 in order to capitalise on the hotel/aparthotel once the industry recovers. There are also upgrading plans for Holiday Villa Beach Resort & Spa Langkawi which include among others, extension of existing ballroom and refurbishment of guest rooms and to construct a mini water park on the hotel ground.

As set out in Note 20(c) of this announcement, the completion of the Proposed Disposal on 3 December 2021 will provide the division with an opportunity to rationalise the operations to focus on assets investment to suit the needs and requirements of the target market for these assets.

***Information & Communications Technology***

The Covid-19 pandemic continues to affect many countries in the division's regions of focus, though certain territories have recently relaxed movement and travel restrictions. The uncertainty of economic recovery from the shock caused by Covid-19 and the prospect of a protracted economic slowdown or a slow recovery, especially in the division's regions of focus, have weighed on the division when considering the outlook for the next twelve months.

## 16. Prospects (Continued)

***Information & Communications Technology (Continued)***

The impact of Covid-19 on Unifiedcomms and GlobeOSS operations in the current financial year has fortunately remained minimal. This is because these businesses operate primarily in the field of telecommunications, an essential service in any economy today. In addition, Unifiedcomms and GlobeOSS businesses have been made capable of fully-functioning under a work-from-home mode of operation, well ahead of movement control restrictions or lockdown orders being enforced. The division's primary customers in the Unifiedcomms and GlobeOSS businesses are telecommunications network operators and service providers that have continued to operate normally throughout Covid-19 restrictions, albeit remotely and through digital engagement, rather than face-to-face interaction. Contracts in-hand continue to be progressed and the division is hopeful that new projects and initiatives requiring our products and services, will continue to be pursued by customers. The possibility remains however, that larger system sale contracts that have yet to be committed in the current financial year, may be further deferred, or even abandoned entirely if macroeconomic and industry conditions do not improve quickly or significantly enough. Some managed service contracts of the division which have been impacted by government restrictions or directives arising from Covid-19 policy measures, may meanwhile continue to show weaker performance.

At Captii Ventures, the division's venture investment business, the climate for business development and funding has improved but continues to be challenging for certain start-ups in industries or business areas that remain significantly affected by Covid-19 related restrictions. On the positive note, one of our investees - OOPA Pte Ltd ("OOPA") was undergoing litigation proceedings in Singapore, had in the current financial year achieved a favorable outcome where the High Court issued a judgment in favour of OOPA. This recently culminated in a deed of settlement being entered between OOPA and the relevant parties, to bring the litigation to a positive conclusion for the division. As a result of the settlement achieved at OOPA, a significant fair value gain on the division's venture investment portfolio has been reflected in the results for the current financial year. A number of other investees in the portfolio continued to grow strongly through the year and contributed to the significant improvement in the value of the overall venture investment portfolio.

Against this negative but improving macroeconomic backdrop for the future, the division remains optimistic and will continue to work closely with customers and investees, to minimise the negative impact of Coivd-19 on the division's financial performance. The division continues to take an active and measured approach to managing risks to protect its people and assets, and will sustain these efforts until the pandemic truly resolves.

***Property Development & Investment***

The revenue of the property development unit in fiscal 2021 was derived mainly from the Taman Sri Matang project with the remaining units of the project fully sold in Q3 2021.

With development approvals in hand and subject to other remaining approvals from the regulatory authorities being obtained, the property development unit expects to launch Phase 2 of Federal Park project in the first half of fiscal 2022 followed by the lauching of the Sejijak project towards end of fiscal 2022. The division expects to generate a gross development value in excess of RM110 million for the two projects which will enable the division to be back on track on its earnings.

## 16. Prospects (Continued)

***Property Development & Investment (Continued)***

The property market in Kuching is expected to remain soft due to the negative impact of the pandemic crisis and stringent financing requirements. ASR as a reputable niche developer will focus on the development of residential properties with more affordable pricing to target the medium to medium low property market. ASR will also continue to improve its product quality and customer service to maintain its position as one of the most reputable developers in Kuching.

In fiscal 2020, the division carried out renovations and improvements to two investment properties, Synergy 9 in Temasya Glenmarie, Selangor and Yap Ah Shak House in Kuala Lumpur, assets in which it has a 70% equity interest. Synergy 9 is presently occupied by the Group to house its corporate office and the operationa1 headquarters of several subsidiaries. This investment property will generate recurring income for the division beginning fiscal 2021.

The renovation and improvements to Yap Ah Shak House in Kuala Lumpur was completed in mid-2021, to deliver a high quality mixed-use property comprising serviced offices, meeting facilities, an event space as well as two floors of food and beverage operations. This mixed-use investment property of the Group in the heart of KL will be fully operational in 2022, with a more protracted ramp-up period being expected post-opening due to the continued economic impact of and lingering uncertainty brought about by the Covid-19 pandemic. Operation and management of the serviced offices, meeting facilities, event space and the food and beverage venues at Yap Ah Shak House are internalised and undertaken by subsidiaries of ASR, Yap Ah Shak House Sdn Bhd and OGSB.

***Travel & Tours***

Our Travel and Tours division has been most affected by the Covid-19 pandemic. With grounding of airplanes, closing of hotels and travel restrictions in many countries, the division saw a major dive in its business and the division’s performance in fiscal 2022 depends very much on the easing of travel restrictions and pattern of travel due to Covid-19 pandemic. However, its business plan to focus on building its corporate client base for the ticketing business and in developing and adapting its products to sustain growth in the leisure and corporate group markets for both inbound and outbound travel and tours remains.

***Financial Services***

The emergence of Covid-19 in fiscal 2020 brought significant economic uncertainty in Malaysia and the markets in which Paydee Sdn Bhd (“Paydee”), our card and payment services business, and Qurex Sdn Bhd (“Qurex”), a money services business, operate.

## 16. Prospects (Continued)

### *Financial Services (Continued)*

Paydee launched an improved e-commerce payment acceptance service in fiscal 2021 after completing integration with strategic partners to support e-wallet and FPX modes of payment. The operating environment for Paydee’s existing payment application services continues to be challenging in terms of technology, competition from banks and other non-bank acquirers and also the economic uncertainty for certain merchant segments brought about by the lingering pandemic. Paydee has in fiscal 2021 initiated the process of evolving its operations, technologies and application services to better address the enormous opportunity for innovation in the SME market for B2B payments. The division is cautiously optimistic that its new product roadmap and business development strategies will deliver positive results for the division in the coming years.

The business environment for retail currency exchange and international remittance services in Malaysia meanwhile, continues to be challenging due to persisting international travel constraints and competition from digital service providers. Qurex will continue to practise cost discipline while exploring opportunities to generate new sources of sustainable business.

### *Others*

Our bus-body fabrication unit, Aviva Master Coach Technology Sdn Bhd (“Aviva”), remains focused to ensure its production to be cost efficient and for timely delivery of buses.

Aviva buses are designed and fabricated in compliance with the internationally recognised safety standards. The unit has approval from Kementerian Perdagangan Dalam Negeri, Koperasi Dan Kepenggunaan to affix the “Barangan Buatan Malaysia” (“Product Made In Malaysia”) logo on our locally designed bus models Autobus LF 12250, Autobus LF 10200 and Autobus SD 12300. Autobus is designed and built to internationally recognised safety standards.

As the testing and certification for Aviva bus body has been completed in Australia, the unit expects sale of buses to Australia to improve as its Australian customer is cautiously optimistic on the sale of buses in the year ahead. Although the Covid-19 pandemic has affected the business operations during the MCO, this has not derailed its business plan for the Australian market.

With the various measures put in place, our bus-body fabrication unit is cautiously optimistic that it is in a good position to manage the challenges in fiscal 2022.

Operations at our education unit continue to be adversely impacted by the Covid-19 pandemic and the unit remains cautiously optimistic with improvements in enrolments expected in fiscal 2022. However, in view of the continued uncertainty due to the Covid-19 pandemic, our education unit continues to develop its new value strategy within the digital education ecosystem. It is expected that business revenue in 2022 will flow from recruitment and referrals, bundled products and services and content production.

**17. Board of Directors' opinion on revenue or profit estimate, forecast, projection or internal targets**

The Group did not previously announce or disclose any revenue or profit estimate, forecast, projection or internal targets in a public document.

**18. Profit variance and shortfall in profit guarantee**

Not applicable.

**19. Income tax expense**

| | 3 months ended 31.12.2021 RM'000 | Year-to-date ended 31.12.2021 RM'000 |
|---|---|---|
| On current quarter results | | |
| - Corporate income tax | (1,056) | (3,486) |

The effective income tax rate of the Group for the year-to-date ended 31 December 2021 is higher than the statutory tax rate mainly due to certain expenses which are not deductible for taxation purpose and the non-availability of group relief for losses incurred by certain subsidiaries in the Group. The effective income tax rate of the Group for the current quarter is lower than the statutory tax rate mainly due to certain income which are not subject to tax.

**20. Status of corporate proposals**

The status of corporate proposals announced but not completed as at the latest practicable date which must not be earlier than 7 days from the date of issue of the quarterly report are summarised below:

(a) The Company announced on 8 August 2019 that Cherating Holiday Villa Berhad ("CHV"), an indirect wholly-owned subsidiary of the Company, had on 8 August 2019 entered into a Sale and Purchase Agreement with Amanah Raya Berhad for CHV to buy back a resort hotel consisting of an administration building, hotel / apartment blocks, standard and individually designed chalets and villas and other ancillary buildings and structures known as Holiday Villa Cherating, measuring in aggregate area of approximately 42,634.7875 square metres for a buy back price of RM22,965,600.00 only free from all encumbrances and on an "as is where is" basis ("Proposed CHV Buyback"). Barring any unforeseen circumstances, the Proposed CHV Buyback is expected to be completed in the second half of year 2029.

(b) The Company announced on 6 November 2020 that Mayor Hotels Sdn Bhd ("MHSB"), an indirect wholly-owned subsidiary of the Company, had on 6 November 2020 entered into a sale and purchase agreement ("SPA") for M1 Plaza Sdn Bhd to purchase from MHSB the hotel property known as City Villa Kuala Lumpur located at No. 69, Jalan Haji Hussein, Off Jalan Tuanku Abdul Rahman, 50300 Kuala Lumpur on "as is where is" basis for a total cash consideration of RM24,000,000 subject to the terms and conditions as stipulated in the SPA ("Proposed City Villa Disposal"). Barring any unforeseen circumstances, the Proposed City Villa Disposal is expected to be completed in the fourth quarter of 2024.

**20. Status of corporate proposals (Continued)**

The status of corporate proposals announced but not completed as at the latest practicable date which must not be earlier than 7 days from the date of issue of the quarterly report are summarised below (Continued):

(c) The Company announced on 7 May 2021 that the below-mentioned direct or indirect subsidiaries of Alangka-Suka Hotels & Resorts Sdn Bhd ("ASHR"), a wholly-owned subsidiary of the Company, had on 7 May 2021 entered into the following agreements with Holiday Villa Hotels and Resorts Sdn Bhd ("HVHR") and/or Holiday Villas Hotels and Resorts Limited ("HVHRL") for disposal of management services agreements, licensing agreements and trademarks of ASHR Group ("Proposed Disposal") on "willing-buyer willing-seller" basis:-

Antara Holiday Villas Sdn Bhd, Holiday Villas International Limited and Holiday Villa Middle East Limited each entered into an agreement relating to the transfer of their respective contracts and/or trademarks and CHV entered into an agreement relating to the transfer of its trademarks, with HVHR or HVHRL (collectively referred to as "Agreements") for total cash consideration of RM7.0 million only, subject to the terms and conditions as stipulated in the Agreements. On 3 December 2021, the Company announced that the Proposed Disposal has been completed on 3 December 2021.

**21. Utilisation of proceeds from disposal of Helenium**

The status of utilisation of proceeds raised from the disposal of the entire investment of 40% equity interest in Helenium Holdings Limited by Synergy Realty Incorporated, an indirect wholly-owned subsidiary of the Company, as at 31 December 2021 is as follows:

| | Proposed Utilisation GBP'000 | Utilisation to-date GBP'000 | Balance unutilised GBP'000 | Intended timeframe for Utilisation from 18.07.2019 | Extended timeframe for Utilisation |
|---|---|---|---|---|---|
| Refurbishment of hotels and working capital | 3,000 | 1,843 | 1,157 | Within 12 months | Additional 24 months |
| Operating expenses of the Group | 1,600 | 1,600 | - | Within 12 months | - |
| Expenses for the disposal | 150 | 145 | 5 | Within 12 months | - |
| | 4,750 | 3,588 | 1,162 | | |

## 22. Utilisation of proceeds from disposal of Wisma Synergy

The status of utilisation of proceeds raised from the disposal of a property, Wisma Synergy, by AESBI Power Systems Sdn Bhd, an indirect wholly-owned subsidiary of the Company, as at 31 December 2021 is as follows:

| | Proposed Utilisation RM'000 | Utilisation to-date RM'000 | Balance unutilised RM'000 | Intended timeframe for Utilisation from 08.11.2019 | Extended timeframe for Utilisation |
|---|---|---|---|---|---|
| Repayment of borrowings | 61,340 | 61,336 | 4 | Within 3 months | - |
| Working capital of the Group | 51,900 | 35,124 | 16,776 | Within 12 months | Additional 24 months |
| Expenses for the disposal | 10,760 | 10,760 | - | Within 3 months | - |
| | 124,000 | 107,220 | 16,780 | | |

## 23. Utilisation of proceeds from disposal of Arosa Land

The status of utilisation of proceeds raised from the disposal of a land in Arosa, by Posthotel Arosa AG, an indirect 65%-owned subsidiary of the Company, as at 31 December 2021 is as follows:

| | Proposed Utilisation CHF'000 | Utilisation to-date CHF'000 | Balance unutilised CHF'000 | Intended timeframe for Utilisation from 04.12.2020 |
|---|---|---|---|---|
| Working capital of the Group | 5,300 | 1,778 | 3,522 | Within 24 months |
| Expenses for the disposal | 650 | 650 | - | Within 12 months |
| | 5,950 | 2,428 | 3,522 | |

## 24. Group borrowings

Details of the borrowings by the Group are as follows:

| | As at 31.12.2021 RM'000 | As at 31.12.2020 RM'000 |
|---|---|---|
| **Short term - secured** | | |
| - Term loans | 4,651 | 5,757 |
| - Bank overdraft | 238 | 354 |
| - Revolving credit | 38,600 | 13,000 |
| | 43,489 | 19,111 |
| **Long term - secured** | | |
| - Term loans | 61,860 | 38,347 |
| | 61,860 | 38,347 |
| **Total borrowings** | 105,349 | 57,458 |

## 25. Financial Instruments

(a) Derivatives

The Group does not have any outstanding derivatives as at the date of this report.

(b) Gain/Loss arising from fair value changes of financial liabilities

There was no gain/loss arising from the fair value changes in financial liabilities for the current financial period.

## 26. Material litigation

There was no material litigation as at the latest practicable date which is a date not earlier than 7 days from the date of issue of the quarterly report save for the following:

The Company announced on 6 September 2019, 17 June 2021, 18 June 2021 and 25 October 2021 pertaining to the announcements made by Captii, to the Singapore Exchange Securities Trading Limited ("SGX") in relation to the suit HC/S 885/2019 in the High Court of the Republic of Singapore ("Suit") filed by OOPA against Mr Bui.

On 7 December 2021, Captii announced to the SGX that the completion of the Deed had taken place on 7 December 2021 and Mr Bui had formally withdrawn his Appeal of AD/CA 62 of 2021 in respect of the Suit on 7 December 2021. Further details are set out in Note 12(c) of this announcement.

## 27. Notes To The Statement of Comprehensive Income

Included in the profit/(loss) before tax are:

| | 12 months ended 31.12.2021 Unaudited RM'000 | 12 months ended 31.12.2020 Restated RM'000 |
|---|---|---|
| Amortisation of intangible assets | (915) | (1,403) |
| Bad debts written off | - | (2) |
| Depreciation | (14,365) | (15,248) |
| Dividend received | 73 | - |
| Effect of modification to lease terms | 279 | - |
| Fair value change in unquoted investment securities | 6,702 | 4,526 |
| Fair value change in held for trading investments | (2,650) | (308) |
| Gain on negative goodwill | 4,998 | - |
| (Impairment loss)/Reversal of impairment loss on: | | |
| - amount due from an associate | - | (2,108) |
| - goodwill | (2,788) | (736) |
| - intangible assets | - | (34) |
| - investment in associates | 15,760 | (355) |
| - investment properties | 860 | - |
| - trade and other receivables | (30) | (3,371) |
| - property, plant and equipment | - | (4) |
| Interest expenses | (7,368) | (5,175) |
| Interest income | 1,343 | 2,050 |
| Inventory written down | - | (2,157) |
| Net gain/(loss) on disposal of: | | |
| - property, plant and equipment | - | 6,568 |
| - unquoted investment securities | (430) | - |
| - held for trading investments | 237 | 813 |
| - hotel management services | 7,000 | - |
| Net unrealised (loss)/gain on foreign exchange | 344 | 518 |
| Property, plant and equipment written off | (6) | (1,219) |
| (Provision)/Reversal of provision for retirement benefits plan | (145) | 536 |
| Reversal of provision | - | 854 |

## 28. Dividend

The Board will decide on the recommendation of dividend after finalisation of the audited financial results for the financial year ended 31 December 2021.

## 29. Earnings/(Loss) per share

**Basic earnings/(loss) per share**

The basic earnings/(loss) per share for the current quarter and current year-to-date are computed based on the Group's net profit/(loss) attributable to equity holders of the Company of RM12,422,000 and (RM11,269,000) respectively, divided by the weighted average number of ordinary shares of 929,194,943 for the current quarter and current year-to-date respectively as follows:

| | 3 months ended | | Year-to-date ended | |
|---|---|---|---|---|
| | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 |
| | No. of shares | | No. of shares | |
| Issued / weighted average number of ordinary shares | 929,194,943 | 929,194,943 | 929,194,943 | 929,194,943 |

| | 3 months ended | | Year-to-date ended | |
|---|---|---|---|---|
| | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 |
| | Unaudited | Restated | Unaudited | Restated |
| Basic earnings/(loss) per share (sen) | 1.34 | 0.20 | (1.21) | (3.30) |

**Diluted earnings(loss) per share**

The basic and diluted earnings/(loss) per share are reported to be the same for the current quarter, current year-to-date, corresponding quarter last year and corresponding year-to-date last year as the Company has no dilutive potential shares.

| | 3 months ended | | Year-to-date ended | |
|---|---|---|---|---|
| | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 |
| | Unaudited | Restated | Unaudited | Restated |
| Diluted earnings/(loss) per share (sen) | 1.34 | 0.20 | (1.21) | (3.30) |

## 30. Prior year adjustment and Restatement of 2020 Financial Statements

A prior year adjustment was made in respect of the financial statements of the Group for the financial year ended 31 December 2020, as a result of an understatement of fair value gains on an investment held at fair value through profit or loss. The adjustment was made to correct an error in an assumption and input parameter used in the external valuation performed on an investee company, in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

There was no restatement to the statement of financial position at 1 January 2020.

## 30. Prior year adjustment and Restatement of 2020 Financial Statements (Continued)

The effect of the correction on the basic and diluted earnings per share was a change from negative 3.69 cents to negative 3.30 cents.

The effect of the above adjustment to the condensed consolidated financial statements for 2020 is as follows:-

| | As reported RM'000 | Adjustment RM'000 | As restated RM'000 |
|---|---|---|---|
| **Consolidated statement of financial position as at 31 December 2020** | | | |
| Investment securities | 51,546 | 6,251 | 57,797 |
| Foreign currency translation reserve | 12,793 | (27) | 12,766 |
| Retained profits | 42,827 | 3,671 | 46,498 |
| Non-controlling interests | 67,659 | 2,607 | 70,266 |
| | | | |
| **Consolidated income statement for financial year ended 31 December 2020** | | | |
| Other operating income | 26,619 | 5,744 | 32,363 |
| Operating expenses | (95,346) | 534 | (94,812) |
| Foreign currency translation differences for foreign operations | 5,013 | (27) | 4,986 |
| | | | |
| **Consolidated net profit/(loss) for the financial year ended 31 December 2020 attributable to:** | | | |
| Owners of the parent | (34,299) | 3,671 | (30,628) |
| Non-controlling interests | 1,127 | 2,607 | 3,734 |
| | | | |
| **Total comprehensive income/(loss) for the financial year ended 31 December 2020 attributable to:** | | | |
| Owners of the parent | (29,370) | 3,644 | (25,726) |
| Non-controlling interests | 75 | 2,607 | 2,682 |
| | | | |
| **Consolidated income statement for the 3 months ended 31 December 2020** | | | |
| Other operating income | 20,240 | 5,744 | 25,984 |
| Operating expenses | (27,946) | 534 | (27,412) |
| Foreign currency translation differences for foreign operations | 2,971 | (27) | 2,944 |
| | | | |
| **Consolidated net profit/(loss) for the 3 months ended 31 December 2020 attributable to:** | | | |
| Owners of the parent | (1,786) | 3,671 | 1,885 |
| Non-controlling interests | 1,884 | 2,607 | 4,491 |
| | | | |
| **Total comprehensive income/(loss) for the 3 months ended 31 December 2020 attributable to:** | | | |
| Owners of the parent | 3,375 | 3,644 | 7,019 |
| Non-controlling interests | 1,372 | 2,607 | 3,979 |

## 31. Status of E-commerce activities

Not applicable.

BY ORDER OF THE BOARD
**ADVANCE SYNERGY BERHAD**

HO TSAE FENG
Company Secretary
28 February 2022