COMPANY ANNOUNCEMENT
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2023

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 2023.

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 financial year ended 31 December 2022.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		Year-to-date 12 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Revenue	74,785	89,522	287,566	243,102
Cost of sales	(56,575)	(59,387)	(215,837)	(173,590)
Gross profit	18,210	30,135	71,729	69,512
Other operating income	47,859	2,058	54,379	7,792
Operating expenses	(126,277)	(54,494)	(191,489)	(111,963)
Profit/(Loss) from operations	(60,208)	(22,301)	(65,381)	(34,659)
Finance costs	(5,095)	(69)	(11,416)	(6,714)
Share of results of associates and joint venture	(60)	6	(38)	113
Profit/(Loss) before tax	(65,363)	(22,364)	(76,835)	(41,260)
Income tax expense	(2,590)	(1,064)	(3,790)	(3,171)
Net profit/(loss) for the financial period/year	(67,953)	(23,428)	(80,625)	(44,431)
Attributable to:				
Owners of the parent	(38,963)	(16,055)	(49,339)	(35,291)
Non-controlling interests	(28,990)	(7,373)	(31,286)	(9,140)
	(67,953)	(23,428)	(80,625)	(44,431)
Loss per share attributable to owners of the parent:				
Basic (sen)	(1.54)	(0.80)	(1.95)	(2.94)
Diluted (sen)	(1.54)	(0.80)	(1.95)	(2.94)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		Year-to-date 12 months ended	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
	Unaudited	**Unaudited**	**Unaudited**	**Audited**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net profit/(loss) for the financial period/year	(67,953)	(23,428)	(80,625)	(44,431)
Other comprehensive income/(expenses):				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	1,606	(7,837)	7,413	52
Total items that may be reclassified subsequently to profit or loss	1,606	(7,837)	7,413	52
Items that will not be reclassified subsequently to profit or loss:				
Fair value gain/(loss) on equity instruments designated at fair value through other comprehensive income	(1,528)	-	(161)	(81)
Revaluation of land and buildings	-	(433)	-	(433)
Total items that will not be reclassified subsequently to profit or loss	(1,528)	(433)	(161)	(514)
Other comprehensive income/(loss) for the financial period/year	78	(8,270)	7,252	(462)
Total comprehensive income/(loss) for the financial period/year	(67,875)	(31,698)	(73,373)	(44,893)
Attributable to:				
Owners of the parent	(45,112)	(23,586)	(51,121)	(38,212)
Non-controlling interests	(22,763)	(8,112)	(22,252)	(6,681)
Total comprehensive income/(loss) for the financial period/year	(67,875)	(31,698)	(73,373)	(44,893)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31.12.2023 RM'000	Audited as at 31.12.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	239,114	250,182
Right-of-use assets	47,741	66,511
Investment properties	16,300	16,100
Investment in associates and joint venture	3,933	3,971
Investment securities	70,715	92,200
Goodwill	39,192	78,657
Intangible assets	2,790	2,526
Deferred tax assets	4,231	4,627
Inventories	4,699	4,635
	428,715	519,409
Current assets		
Inventories	45,016	35,989
Receivables, prepayments and contract assets	162,973	106,429
Current tax assets	1,362	2,287
Investment securities	2,323	2,532
Financial assets held for trading	47	22
Short term deposits	49,129	120,000
Cash and bank balances	65,135	55,103
	325,985	322,362
TOTAL ASSETS	754,700	841,771
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	461,377	461,377
Reserves	(32,953)	32,528
	428,424	493,905
Non-controlling interests	67,593	77,468
Total equity	496,017	571,373
Non-current liabilities		
Borrowings	85,059	90,116
Lease liabilities	27,447	38,539
Payables	6,384	8,526
Deferred tax liabilities	4,368	3,925
Provision for retirement benefit obligations	-	1,294
	123,258	142,400
Current liabilities		
Payables and contract liabilities	81,646	72,201
Borrowings	49,875	48,799
Lease liabilities	3,035	5,812
Current tax liabilities	869	1,186
	135,425	127,998
Total Liabilities	258,683	270,398
TOTAL EQUITY AND LIABILITIES	754,700	841,771

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share Capital RM'000	Revaluation Reserve RM'000	Foreign Currency Translation Reserve RM'000	Fair Value Reserve RM'000	Retained Profits/ (Accumulated Losses) RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 January 2023	461,377	16,594	9,487	(793)	7,240	493,905	77,468	571,373
Net profit/(loss) for the financial year	-	-	-	-	(49,339)	(49,339)	(31,286)	(80,625)
Fair value gain/(loss) on equity instruments designated at fair value through other other comprehensive income	-	-	-	(161)	-	(161)	-	(161)
Crystalisation of revaluation reserve	-	(181)	-	-	181	-	-	-
Exchange differences on translation of foreign operations	-	-	(1,621)	-	-	(1,621)	9,034	7,413
Total comprehensive income/(loss) the financial year	-	(181)	(1,621)	(161)	(49,158)	(51,121)	(22,252)	(73,373)
Transactions with owners								
Dividend paid	-	-	-	-	(2,529)	(2,529)	-	(2,529)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	(1,547)	(1,547)
Acquisition of additional interest in a subsidiary from Non-Controlling Interest	-	-	-	-	(11,831)	(11,831)	11,831	-
Additional interest in subsidiaries	-	-	-	-	-	-	2,093	2,093
	-	-	-	-	(14,360)	(14,360)	12,377	(1,983)
Balance as at 31 December 2023	461,377	16,413	7,866	(954)	(56,278)	428,424	67,593	496,017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

	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 2022	381,377	17,164	11,894	(712)	43,626	453,349	83,837	537,186
Net profit/(loss) for the financial year	-	-	-	-	(35,291)	(35,291)	(9,140)	(44,431)
Fair value gain/(loss) of equity instruments through other comprehensive income	-	-	-	(81)	-	(81)	-	(81)
Crystalisation of revaluation reserve	-	(137)	-	-	137	-	-	-
Revaluation of properties	-	(433)	-	-	-	(433)	-	(433)
Exchange differences on translation of foreign operations	-	-	(2,407)	-	-	(2,407)	2,459	52
Total comprehensive income/(loss) the financial year	-	(570)	(2,407)	(81)	(35,154)	(38,212)	(6,681)	(44,893)
Transactions with owners								
Dividend paid	-	-	-	-	(1,394)	(1,394)	-	(1,394)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	(1,758)	(1,758)
Issuance of shares	80,000	-	-	-	-	80,000	-	80,000
Non-controlling interests arising from acquisition of new subsidiaries	-	-	-	-	-	-	2,281	2,281
Acquisition of additional interest in a subsidiary	-	-	-	-	162	162	(211)	(49)
	80,000	-	-	-	(1,232)	78,768	312	79,080
Balance as at 31 December 2022	461,377	16,594	9,487	(793)	7,240	493,905	77,468	571,373

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	12 months ended 31.12.2023 Unaudited RM'000	12 months ended 31.12.2022 Audited RM'000
Cash flows from operating activities		
Loss before tax	(76,835)	(41,260)
Adjustments for:-		
Non-cash items	68,604	39,462
Other investing and financing items	9,017	4,947
Operating profit/(loss) before working capital changes	786	3,149
Changes in working capital		
Inventories	(10,755)	1,306
Receivables	(20,500)	(18,445)
Financial assets held for trading	(25)	(22)
Payables	7,013	8,982
Net cash (used in)/generated from operations	(23,481)	(5,030)
Retirement benefits paid	(29)	(52)
Net tax paid	(2,342)	(3,177)
Net cash (used in)/generated from operating activities	(25,852)	(8,259)
Cash flows from investing activities		
Acquisition of additional interest in a subsidiary	-	(51)
Acquisition of quoted investment securities	-	(156)
Acquisition of unquoted investment securities	(1,151)	(160)
Addition of intangible assets	(1,008)	(1,078)
Interest received	2,345	1,648
Dividend received	54	119
Proceeds from disposal of quoted investment securities	-	658
Proceeds from disposal of unquoted investment securities	460	7,855
Proceeds from disposal of investment property	-	2,947
Proceeds from disposal of property, plant and equipment	746	24
Proceeds from disposal of hotel management services	800	800
Purchase of property, plant and equipment	(10,538)	(19,508)
Purchase of right-of-use assets	-	(7,573)
(Placement)/Withdrawal of pledged deposits	6,700	829
Net cash (used in)/generated from investing activities	(1,592)	(13,646)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

	12 months ended 31.12.2023 Unaudited RM'000	12 months ended 31.12.2022 Audited RM'000
Cash flows from financing activities		
Dividend paid	(2,529)	(1,394)
Dividend paid to non-controlling interests of a subsidiary	(1,547)	(1,758)
Interest paid	(11,416)	(6,714)
Issuance of shares	-	80,000
(Repayment)/Drawdown of borrowings	(5,428)	7,127
Repayment of lease liabilities	(6,128)	(9,260)
Net cash (used in)/generated from financing activities	(27,048)	68,001
Effect of exchange rate changes	(2,317)	352
Net (decrease)/increase in cash and cash equivalents	(56,809)	46,448
Cash and cash equivalents as at beginning of the financial year		
As previously reported	146,623	97,146
Effect of exchange rate changes	2,672	3,029
As restated	149,295	100,175
Cash and cash equivalents as at end of the financial year #	92,486	146,623
# Cash and cash equivalents at the end of the financial year comprising the following:		
Short term deposits	49,129	120,000
Cash and bank balances	65,135	55,103
	114,264	175,103
Less: Deposits placed with lease payables as security deposit for lease payments	-	(8,626)
Deposits pledged to licensed banks	(21,778)	(19,854)
	(21,778)	(28,480)
	92,486	146,623

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 2022.

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 2022, except for the adoption of the following new Malaysian Financial Reporting Standard ("MFRS") and amendments/improvements to MFRSs:

<u>New MFRS</u>

MFRS 17	Insurance Contracts

<u>Amendments/ Improvements to MFRSs</u>

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
MFRS 17	Insurance Contracts
MFRS 101	Presentation of Financial Statements
MFRS 107	Statement of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes
MFRS 116	Property, Plant and Equipment
MFRS 119	Employee Benefits
MFRS 128	Investments in Associates and Joint Ventures
MFRS 132	Financial Instruments: Presentation
MFRS 136	Impairment of Assets
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets
MFRS 140	Investment Property

The adoption of the above new MFRS and amendments/improvements to MFRSs will have no significant impact on the financial statements of the Group upon their initial application.

2. Significant accounting policies (Continued)

Amendments/Improvements to MFRSs issued but not yet effective

		Effective for financial periods beginning on or after
Amendments/Improvements to MFRSs (Continued)		
MFRS 7	Financial Instruments: Disclosures	1 January 2024
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

3. Audit Report

The auditors' report on the financial statements for the financial year ended 31 December 2022 was not subject to any qualification.

4. Seasonal or cyclical factors

The operations of the Group for the financial quarter ended 31 December 2023 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 2023.

As at the quarter ended 31 December 2023, no new ordinary share of the Company was issued to the eligible persons pursuant to the Advance Synergy Share Grant Scheme.

8. Dividends paid

A single tier dividend of 0.10 sen per ordinary share in respect of the financial year ended 31 December 2022 was paid on 18 August 2023 after obtaining the approval from the shareholders of the Company at the Annual General Meeting held on 27 June 2023.

9. Segmental Information

For the financial year ended 31 December 2023

	Investment Holding	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
Revenue								
External	1,345	62,196	42,658	159,666	9,189	12,512	-	287,566
Inter-segment	19,464	-	2,780	101	-	-	(22,345)	-
Total revenue	20,809	62,196	45,438	159,767	9,189	12,512	(22,345)	287,566
Results								
Segment results	(23,535)	(38,403)	6,215	6,510	(7,776)	(5,661)	(14,147)	(76,797)
Share of results of associates and joint venture	(34)	-	(4)	-	-	-	-	(38)
Profit/(Loss) before tax	(23,569)	(38,403)	6,211	6,510	(7,776)	(5,661)	(14,147)	(76,835)
Income tax expense								(3,790)
Net profit/(loss) for the financial year								(80,625)
Non-controlling interests								31,286
Net profit/(loss) for the financial year attributable to owners of the parent								(49,339)

9. Segmental Information (Continued)

For the financial year ended 31 December 2023 (Continued)

	Investment Holding	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
Other information								
Segment assets	38,696	185,912	443,329	21,564	24,307	31,367	-	745,175
Investment in associates and joint venture	3,831	-	102	-	-	-		3,933
Unallocated corporate assets								5,592
Total assets								754,700
Segment liabilities	7,728	16,735	203,605	9,961	10,028	5,389	-	253,446
Unallocated corporate liabilities								5,237
Total liabilities								258,683
Capital expenditure:								
- Property, plant & equipment	25	682	6,829	13	2,796	193	-	10,538
- Software development expenditure	-	1,008	-	-	-	-	-	1,008

9. Segmental Information (Continued)

For the financial year ended 31 December 2022

	Investment Holding	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
Revenue								
External	738	74,412	33,149	116,319	4,403	14,081	-	243,102
Inter-segment	21,333	-	2,241	184	-	-	(23,758)	-
Total revenue	22,071	74,412	35,390	116,503	4,403	14,081	(23,758)	243,102
Results								
Segment results	1,154	(8,085)	(10,943)	3,068	(6,762)	(2,385)	(17,420)	(41,373)
Share of results of associates and joint venture	115	-	(2)	-	-	-	-	113
Profit/(Loss) before tax	1,269	(8,085)	(10,945)	3,068	(6,762)	(2,385)	(17,420)	(41,260)
Income tax expense								(3,171)
Net profit/(loss) for the financial year								(44,431)
Non-controlling interests								9,140
Net profit/(loss) for the financial year attributable to owners of the parent								(35,291)

9. Segmental Information (Continued)

For the financial year ended 31 December 2022 (Continued)

	Investment Holding	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
Other information								
Segment assets	127,847	225,080	419,828	13,714	18,890	25,527	-	830,886
Investment in associates and joint venture	3,866	-	105	-	-	-	-	3,971
Unallocated corporate assets								6,914
Total assets								841,771
Segment liabilities	5,321	18,462	221,199	5,206	11,062	4,038	-	265,288
Unallocated corporate liabilities								5,110
Total liabilities								270,398
Capital expenditure:								
- Property, plant & equipment	12	721	18,600	31	31	113	-	19,508
- Leasehold land and building	-	-	32,973	-	-	-	-	32,973
- Software development expenditure	-	1,078	-	-	-	-	-	1,078

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 2022.

11. Significant events after the reporting period

There are no significant events after the reporting period.

12. Changes in the composition of the Group

(a) On 16 August 2023, Alma Dining Sdn Bhd ("ADSB") was incorporated with an issued share capital of RM100. ADSB is a 70%-owned subsidiary of Advance Synergy Realty Sdn Bhd ("ASR"), a direct wholly-owned subsidiary of the Company.

(b) On 28 August 2023, Advance Synergy Capital Sdn Bhd ("ASCAP"), a direct wholly-owned subsidiary of the Company, completed its acquisition of 726,238 ordinary shares representing the remaining 29% of the issued share capital of Aviva Master Coach Technology Sdn Bhd ("Aviva") not already owned by ASCAP for a total cash consideration of RM1.00 only from Apple Gate Engineering Sdn Bhd, free from any encumbrances. Consequential thereto, Aviva became an indirect wholly-owned subsidiary of the Company.

Save for the above, there were no changes in the composition of the Group during the financial year ended 31 December 2023.

13. Changes in contingent liabilities

There are no changes in contingent liabilities since the last annual statements of financial position as at 31 December 2022.

14. Review of performance

	Year-to-date 12 months ended		Changes	
	31.12.2023	31.12.2022		
	RM'000	RM'000	RM'000	%
Revenue	287,566	243,102	44,464	18.3
Profit/(Loss) from operations	(65,381)	(34,659)	(30,722)	(88.6)
Profit/(Loss) before tax	(76,835)	(41,260)	(35,575)	(86.2)
Net profit/(loss) for the financial year	(80,625)	(44,431)	(36,194)	(81.5)
Net profit/(loss) for the financial year attributable to the Owners of the Parent	(49,339)	(35,291)	(14,048)	(39.8)

14. Review of performance (Continued)

Overall performance

For the current financial year ended 31 December 2023 (“FY 2023”), the Group recorded higher revenue of RM287.6 million compared to RM243.1 million in the previous financial year ended 31 December 2022 (“FY 2022”), an increase in revenue of RM44.5 million or 18.3%, with the bulk increase in revenue contributed by Travel & Tours division which recorded an increase in revenue of RM43.3 million. All divisions reported higher revenue in FY 2023 compared to FY 2022 except for Investment Holding, Information & Communications Technology and Others division.

The Group recorded lower gross profit margin for FY 2023 compared to FY 2022, as higher proportionate contribution to the Group’s revenue was from Travel & Tours division in FY 2023 compared to FY 2022. Travel & Tours division generally yields lower gross profit margin compared to the other divisions.

The Group recorded a higher loss before tax in FY 2023 of RM76.8 compared to the loss of RM41.3 million in FY 2022, mainly due to the impairment losses of RM39.5 million on goodwill, RM15.7 million on an aparthotel, and RM6.0 million on a right-of-use (“ROU”) asset, coupled with fair value loss assessed on the venture investment portfolio of RM25.9 million. These losses were partly mitigated by a compensation sum of RM45.0 million received from the lessor for the termination of the lease for Holiday Villa Beach Resort & Spa Langkawi (“Langkawi Hotel”). However, this amount was offset by RM6.4 million in compensation for staff upon cessation of business for Langkawi Hotel, as well as provision for liquidated damages due to termination of hotel management contract for Langkawi Hotel.

Investment Holding

In FY 2023, the division recorded lower revenue of RM20.8 million compared to the revenue of RM22.1 million in FY 2022 mainly attributable to the lower dividend from the subsidiary of RM14.8 million in FY 2023 compared to RM18.0 million in FY2022. With the exclusion of the abovementioned lower dividend from the subsidiary, the division recorded higher revenue in FY 2023 compared to FY 2022 due to higher interest income and intercompany management fee charged which has no impact to the Group’s revenue.

The division recorded loss before tax of RM23.6 million in FY 2023 compared to profit before tax of RM1.3 million in FY 2022 mainly due to the impairment loss on goodwill of RM25.2 million (FY 2022: NIL) relating to the investment in the Information & Communications Technology subsidiary coupled with lower dividend from subsidiary recorded in FY 2023. This was partly offset by lower fair value loss on investment securities recorded in FY 2023 compared to FY 2022.

Information & Communications Technology

The division recorded lower revenue in FY 2023 of RM62.2 million compared to FY 2022 of RM74.4 million, a drop in revenue of approximately 16.4%. The decline in revenue for FY 2023 was mainly attributable to lower revenue from both Unifiedcomms and GlobeOSS business units.

14. Review of performance (Continued)

Information & Communications Technology (Continued)

The division's loss before tax of RM38.4 million in FY 2023 compared to loss before tax of RM8.1 million in FY 2022 was mainly due to the flow down effects of lower revenue and lower gross profit margin coupled with higher expenses in FY 2023. The lower gross profit of 46.6% in FY 2023 compared to 48.6% in FY 2022 was mainly attributable to the lower proportionate contribution of system sale contract revenues by Unifiedcomms business unit.

The higher expenses in FY 2023 compared to FY 2022 was mainly due to higher fair value loss on venture investment portfolio of RM23.0 million (FY 2022: RM6.6 million) and higher impairment loss on goodwill of RM14.3 million (FY 2022: RM9.0 million) recorded in FY 2023 compared to FY 2022. The goodwill was related to the acquisition of Ahead Mobile Sdn Bhd in 2012 and the impairment loss on goodwill reflects the excess of the carrying amount of a cash-generating unit ("CGU") over its recoverable amount. This impairment loss has no cash impact.

Property Development & Investment

The division recorded revenue of RM45.4 million in FY 2023, higher compared to the revenue of RM35.4 million recorded in FY 2022, mainly contributed by higher revenue from the hospitality unit. The division recorded profit before tax of RM6.2 million in FY 2023 compared to loss before tax of RM10.9 million in FY 2022 mainly due to a gain from termination of the lease for Langkawi Hotel of RM38.6 million.

<u>Development</u>
The property development unit, ASR, recorded revenue of RM0.3 million generated from Federal Park Phase 2 progress billing, as the construction of the Federal Park Phase 2 project is still on-going. This unit recorded a comparable loss before tax of RM2.0 million for both FY 2023 and FY 2022.

<u>Investment</u>
Overall, the property investment unit recorded improved revenue in FY 2023 compared to FY 2022 with higher revenue contribution mainly from the hospitality unit pursuant to the relaxation of movement control restrictions imposed by the Malaysian government during the COVID-19 pandemic as the country transitioned to the endemic phase in April 2022. Our hospitality unit recorded a significant improvement in revenue from RM27.4 million in FY 2022 to RM37.2 million in FY 2023, an increase of approximately RM9.8 million or 35.8%, attributed to improved revenue resulting from higher average room rate ("ARR") and average occupancy rate ("AOR").

In FY 2023, the hospitality unit recorded a profit before tax of RM12.8 million, mainly attributable to a net gain of RM38.6 million from the termination of the lease for Langkawi Hotel, compared to a loss before tax of RM6.8 million in FY 2022. However, this gain was partly offset by impairment losses of RM15.7 million on the aparthotel, The Marloes, RM6.0 million on the right-of-use (ROU) asset for the lease of Holiday Villa Hotel & Residence Jiading P.R.C. ("Shanghai Holiday Villa"), and RM1.0 million on trade and other receivables. Langkawi Hotel recorded improved performance in both ARR and AOR for FY 2023 compared to FY 2022 while our hotel in Cherating recorded higher AOR with comparable ARR in FY 2023 compared to FY 2022.

14. Review of performance (Continued)

Property Development & Investment (Continued)

Investment (Continued)

However, our hotel in Shanghai recorded lower ARR and AOR in FY 2023 compared to the previous year. The Marloes, London, had a soft launch in December 2023.

Our investment property, Yap Ah Shak House ("YASH"), which currently housed the food and beverage ("F&B") and serviced office businesses recorded lower revenue of RM5.1 million in FY 2023 compared to RM5.7 million in FY 2022 mainly due to the lower revenue from our F&B business partly offset by the higher revenue from the serviced offices business. A higher loss before tax of RM2.5 million was recorded in FY 2023 compared to the loss before tax of RM1.2 million in FY 2022 as higher operating expenses were incurred mainly due to higher staff cost.

Travel & Tours

With the re-opening and relaxation in travelling restrictions of most international destinations for tourists, the Travel & Tours division recorded substantially higher revenue in FY 2023 of RM159.8 million compared to RM116.5 million in FY 2022, an increase in revenue of RM43.3 million or approximately 37.2%. With the substantially higher revenue in the current year compared to last year, the division recorded higher profit before tax of RM6.5 million in FY 2023 compared to profit before tax of RM3.1 million in FY 2022.

Financial Services

The Financial Services division recorded higher revenue of RM9.2 million in FY 2023 compared to RM4.4 million in FY 2022 with increase in gross processing volume recorded from its merchants. Despite the higher revenue, the division recorded higher loss before tax of RM7.8 million in FY 2023 compared to loss before tax of RM6.8 million in FY 2022 mainly due to lower gross profit margin coupled with higher operating expenses in FY 2023 compared to FY 2022 as the division increased its headcount with the on-going recruitment process to gear up its operations.

Others

The Others division recorded lower revenue of RM12.5 million in FY 2023 compared to the revenue of RM14.1 million for FY 2022. This was mainly attributable to the lower number of buses exported by the bus-body fabrication unit in FY 2023 compared to FY 2022. As a result, the bus-body fabrication unit recorded higher loss before tax of RM4.8 million in FY 2023 compared to loss before tax of RM1.7 million in FY 2022. The education unit recorded higher revenue of RM0.5 million in FY 2023 compared to RM0.2 million in FY 2022. Despite the higher revenue, the unit recorded higher loss before tax of RM0.8 million in FY 2023 compared to loss before tax of RM0.7 million in FY 2022 mainly attributable to higher operating expenses in FY 2023. With the flowdown effect of lower revenue and higher operating expenses arising from impairment loss on other receivables and the write off of old stock, the division recorded a higher loss before tax of RM5.7 million in FY 2023 compared to a loss of RM2.4 million in FY 2022.

15. Comparison of results with immediate preceding quarter

	Quarter 3 months ended 31.12.2023 RM'000	30.09.2023 RM'000	Changes RM'000	%
Revenue	74,785	63,358	11,427	18.0
Profit/(Loss) from operations	(60,208)	(1,853)	(58,355)	(3,149.2)
Profit/(Loss) before tax	(65,363)	(3,628)	(61,735)	(1,701.6)
Net profit/(loss) for the financial period	(67,953)	(4,301)	(63,652)	(1,479.9)
Net profit/(loss) for the financial period attributable to the Owners of the Parent	(38,963)	(2,645)	(36,318)	(1,373.1)

Overall performance

The Group recorded higher revenue of RM74.8 million for current quarter ended 31 December 2023 ("Q4 2023") compared to the revenue of RM63.4 million in the immediate preceding quarter ended 30 September 2023 ("Q3 2023"). Higher loss before tax of RM65.4 million in Q4 2023 was recorded by the Group compared to loss of RM3.6 million in Q3 2023 despite the higher revenue in Q4 2023, mainly due to the impairment losses of RM39.5 million on goodwill, RM15.7 million on an aparthotel, and RM6.0 million on a right-of-use ("ROU") asset, coupled with fair value loss assessed on the venture investment portfolio of RM25.9 million. These losses were partly mitigated by a net gain on termination of lease for Langkawi Hotel of RM38.6 million.

Investment Holding

The division reported higher revenue of RM15.6 million in Q4 2023 compared to the revenue of RM2.6 million in Q3 2023 mainly attributable to dividend from a subsidiary, which had no impact to the Group's revenue. Despite the higher revenue, the division recorded loss before tax of RM17.2 million in Q4 2023 after providing for the impairment loss on goodwill of RM25.2 million relating to the investment in the Information & Communications Technology subsidiary and a fair value loss assessed on the venture investment portfolio of RM2.8 million compared to loss before tax of RM1.0 million in Q3 2023.

Information & Communications Technology

The division recorded higher revenue of RM16.1 million in Q4 2023 compared to RM11.9 million in Q3 2023, mainly due to increased revenue from Unifiedcomms and GlobeOSS system sale contracts. However, Q4 2023 results included a fair value loss of RM23.1 million compared to fair value gain of RM0.06 million in Q3 2023 relating to the venture investment portfolio and an impairment loss on goodwill of RM14.3 million (Q3 2023: NIL) leading to a loss before tax of RM38.6 million in Q4 2023 compared to a loss before tax of RM1.1 million in Q3 2023.

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

Information & Communications Technology (Continued)

Excluding the fair value loss and impairment loss, the division recorded a higher loss before tax in Q4 2023 compared to Q3 2023, despite the higher revenue in Q4 2023. This was mainly due to higher staff cost in Q4 2023, which was partially offset by a higher gross profit margin of 53.4% in Q4 2023 compared to 46.9% in Q3 2023. The increased gross profit margin in Q4 2023 was mainly attributable to revenues from Unifiedcomms system sale contracts which generally yield higher gross profit margins.

Property Development & Investment

The division recorded lower revenue of RM11.5 million in Q4 2023 compared to revenue of RM12.1 million in the previous quarter. The bulk of the revenue of the division for both Q4 2023 and Q3 2023 was contributed by the hospitality unit, which recorded revenue of RM9.1 million in Q4 2023 compared to RM10.2 million in Q3 2023.

In the quarter under review, the division recorded profit before tax of RM8.2 million compared to RM0.4 million in the previous quarter mainly attributable to a net gain from termination of lease in Langkawi Hotel of RM38.6 million in Q4 2023. However, this gain was partly offset by impairment losses of RM15.7 million on the aparthotel building and RM6.0 million on the right-of-use ("ROU") asset.

Development

The property development unit, ASR, recorded revenue of RM0.3 million generated from progress billing of Federal Park Phase 2, as the construction of the Federal Park Phase 2 project is still on-going. ASR registered a comparable loss before tax of RM0.6 million in Q4 2023 and Q3 2023.

Investment

Despite lower revenue of RM11.2 million in Q4 2023 compared to RM12.1 million in Q3 2023, the investment unit recorded higher profit before tax of RM8.8 million in Q4 2023 compared to RM1.0 million in Q3 2023 mainly due to a net gain from termination of lease in Langkawi Hotel of RM38.6 million.

Our hospitality business recorded lower revenue for Q4 2023 of RM9.1 million compared to RM10.2 million in Q3 2023 mainly due to lower revenue from Langkawi Hotel and Shanghai Holiday Villa partly offset by higher revenue from Holiday Villa Beach Resort & Spa Cherating. The higher profit before tax in Q4 2023 compared to Q3 2023 was mainly attributable to a net gain from termination of lease in Langkawi Hotel of RM38.6 million partly offset by impairment losses of RM15.7 million on the aparthotel, The Marloes, and RM6.0 million on the right-of-use ("ROU") asset for Shanghai Holiday Villa.

YASH reported higher revenue of RM1.4 million in Q4 2023 compared to RM1.2 million in Q3 2023 with improvement in revenue for both F&B and serviced office businesses. The flowdown effect of higher revenue resulted in a lower loss in Q4 2023 compared to Q3 2023.

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

Travel & Tours

The division recorded higher revenue of RM40.3 million in Q4 2023 compared to the revenue of RM32.5 million in Q3 2023 mainly due to higher sales from group ticketing and corporate ticketing during the quarter under review. With the higher revenue recorded in Q4 2023, the division recorded higher profit before tax of RM1.6 million in Q4 2023 compared to profit before tax of RM1.3 million in the preceding quarter.

Financial Services

The Financial Services division comprising the card & payment services and money services unit generated lower revenue of RM1.8 million in Q4 2023 compared to RM3.1 million in Q3 2023 with lower gross processing volume recorded by card & payment services in the current quarter under review. The bulk of the revenue for the Financial Services division was generated by the card & payment services unit with nominal revenue generated by the money services unit. With the lower revenue, the division recorded a higher loss of RM2.7 million in Q4 2023 compared to RM2.0 million in Q3 2023 mainly due to higher net operating expenses in Q4 2023 arising from higher payroll cost and forex exchange loss recorded in Q4 2023 compared to foreign exchange gain in Q3 2023.

Others

The Others division recorded higher revenue of RM6.1 million in Q4 2023 compared to RM3.1 million in Q3 2023. This was mainly attributable to the higher number of buses exported by the bus-body fabrication unit, whilst the education unit recorded nominal increase in revenue in Q4 2023 compared to Q3 2023. Despite the higher revenue, the division reported higher loss before tax of RM2.7 million in Q4 2023 compared to a loss of RM1.2 million in Q3 2023 mainly due to an impairment loss on receivables of RM0.7 million and inventories written off of RM1.7 million on old stocks in Q4 2023.

16. Prospects

The Group remains mindful of the rising inflation and interest rates, possible disruptions in supply chain and geopolitics concerns which may adversely impact the global economic recovery and thus the successful execution of our business plans. Our continued focus on managing costs and investment into our businesses to deliver better Group financial performances, is critical for the coming year.

Information & Communications Technology

The economic uncertainty due to geo-political tensions, supply chain disruption, and rising inflation and interest rates, especially in the division’s regions of focus, continue to weigh on the minds of management and the directors of the division when considering the outlook for the next twelve months.

16. Prospects (Continued)

Information & Communications Technology (Continued)

The operations of Unifiedcomms and GlobeOSS in the financial year under review had been minimally impacted by geo-political tensions and supply chain disruption. However, due to the diminished expected performance of certain managed service contracts, the value of Unifiedcomms as a CGU was adversely affected. The change in user behaviour in certain Unifiedcomms applications services, followed by the intensified pricing pressure within the telecommunication industry had directly and indirectly impacted the expected profitability of these managed service contracts, resulting in a significant reduction in the valuation of Unifiedcomms as a CGU in 2023. With the said lower CGU valuation, an impairment loss on goodwill of S$4.2 million (RM14.3 million) in relation to this business was provided and reflected in the financial year under review, though this impairment loss has no cash flow impact to the division.

On the business front, both Unifiedcomms and GlobeOSS contracts in-hand continue to be progressed and management 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 and certain managed service contracts that have yet to be committed in the financial year under review, may be further deferred, or even abandoned entirely if macroeconomic and industry conditions worsen or do not improve significantly enough.

At Captii Ventures, the division's venture investment business, the valuation of start-ups continues to be challenging. Such an environment for business market valuations for some of our investees had resulted in a substantial reduction in the fair value of Captii Ventures' investment portfolio, translating to a fair value loss of S$6.8 million (RM23.0 million) in the financial year under review.

Against this negative 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 economic uncertainty on financial performance.

Property Development & Investment

Development

The progress of development works for Federal Park Phase 2 project which comprised 88 units of double storey terrace houses and 28 units of single storey terrace houses has reached 55% completion as at the end of fiscal 2023. Sejijak Project which comprised 88 units of double storey terrace houses, 80 units of townhouses and 40 units of single storey terrace houses is now ready for commencement of development works as all relevant approvals have been obtained.

Federal Park Phase 2 project is expected to generate total revenue of RM59.7 Million while Sejijak Project has an estimated gross development value of RM75 Million. With these two new projects generating a total gross development value in excess of RM134.7 million, the property development unit is set to turn the corner towards profitability.

16. Prospects (Continued)

Property Development & Investment (Continued)

Development (Continued)

Although the unit expects the property market in Kuching to remain soft due to the negative impact of the pandemic crisis and stringent financing requirements in fiscal 2023 to remain, with the affordable pricing for its development properties, the unit is confident of the marketability of Federal Park Phase 2 project and Sejijak project as both projects comprised mainly affordable residential properties. Our development unit will also continue to improve its product quality and customer service to maintain its position as one of the most reputable developers in Kuching.

Investment

The hospitality unit is hopeful that the gradual recovery in the business with the pent-up demand for travel in fiscal 2023 will continue for the next twelve months. As in fiscal 2023, the unit remains cautious on the hospitality industry's growth in the coming year due to external pressures, which may prolong the recovery to pre-pandemic level as lingering effects of COVID-19 besides continuing pressures from rising costs, staff shortage, recessionary risks and geopolitics concerns may continue to drag down the industry.

During the border closures, the hospitality unit seized the opportunity to undertake upgrading works and introduce new facilities at Holiday Villa Beach Resort & Spa Cherating ("Cherating Holiday Villa") such as a specialised thematic pool for corporate team-building activities and a children's fun pool for families which resulted in positive results. Cherating Holiday Villa performed well once travel restrictions were relaxed, experiencing an upsurge in demand from local tourists. This trend is anticipated to continue unless unforeseen circumstances arise.

Our aparthotel in Earls Court, London, now known as The Marloes had a soft launch on 11 December 2023. Fiscal 2023 saw the rebound in demand for UK hotels which may however face some uncertainties in fiscal 2024 due to external headwinds impacting consumer confidence coupled with rising operational costs, staffing shortages and supply chain disruption. However, we are cautiously optimistic that the London hospitality market will be resilient as we can see the swift post-pandemic rebound and influx of international visitors to London.

Although travel is expected to normalize for the China market, the concerns stemming from property movement effects from the pandemic and lingering geopolitical tensions may derail the recovery of the travel industry when considering the outlook for the next twelve months which is anticipated to remain challenging for Shanghai Holiday Villa as external headwinds may impact the travel industry.

16. Prospects (Continued)

Property Development & Investment (Continued)

Investment (Continued)

Yap Ah Shak House in Kuala Lumpur, a high quality mixed-use property comprising serviced offices, meeting facilities, an event space, as well as two floors dedicated to food and beverage operations, did not meet revenue expectations in fiscal 2023 due to the lingering impact of COVID-19 pandemic on the market for commercial office space, and is thus undergoing a review and revamp in the operations. Yap Ah Shak House is expected to be operational under the new business roadmap in the first half of fiscal 2024.

Travel & Tours

Our Travel and Tours division has been most affected by the COVID-19 pandemic as many countries introduced curfews and travel restrictions to contain the spread of the virus. With the relaxation of travel restrictions, the division recorded a significantly improved performance since fiscal 2022. The division's performance continued to improve during the year under review in year 2023 and the division remains cautiously optimistic about its performance for fiscal year 2024 although external factors such as increasing inflation, higher travel costs, and geopolitical concerns may dampen growth in the travel industry. The division’s business plan to focus on building its corporate client base for the ticketing, group series tours and company incentive groups business and in exploring to work closely with travel partners to develop more competitive inbound and outbound travel products remains.

Financial Services

The division comprising Paydee Sdn Bhd (“Paydee”) which is engaged in card & payment services, and Qurex Sdn Bhd (“Qurex”) which is involved in money services, conducted a strategic review of their businesses. Pursuant to this strategic review, Paydee will focus on the development and establishment of its New Payment Application Services (“NPAS”). This involves the recruitment of additional staff to design, develop, operate and manage the NPAS as well as efforts to identify and evaluate opportunities for business collaboration.

Under its newly conceived product roadmap for both payment acquiring and card issuing, Paydee has evolved its operations, technologies and application services. It continues to invest in technology/infrastructure renewal and the development of new capabilities to deliver innovative NPAS to address SME business segments, as well as to be the non-bank partner of choice for payment facilitators.

In addition to NPAS, the Financial Services division has established a new operating entity, Paydee Nura Sdn Bhd (“Nura”), to pursue opportunities to aid individuals and SMEs in cash flow management, through Shariah-compliant financing.

16. Prospects (Continued)

Financial Services

The focus for Qurex meanwhile would be to grow its B2B international payment and remittance services and to explore opportunities to generate new sources of income and sustainable avenues for growth. Qurex intends to synergise with Paydee for its growth plan and pending the full implementation of the new roadmap, Qurex does not anticipate its existing businesses to grow substantially.

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.

The unit will continue to focus on the Australia market and with orders in hand, there is a cautious optimism in the sale of our buses.

The market situation remains challenging with rising costs and continuing disruption to the supply chain. However, Aviva is confident in managing the risks and shall focus in ensuring that its production is cost-and-delivery-efficient and targets to increase its production to 20 buses per month within the next two years in line with the expected increase in orders from the Australia 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 2024.

Our Education unit, The Language House (TLH), remains committed to advancing language education within Malaysia's dynamic landscape while pursuing a diverse set of objectives to solidify its market position. TLH is optimistic about the future and aims to grow its market share by forming partnerships in regions like China, Korea, and Latin America for the coming year.

Furthermore, TLH is strategically realigning its efforts to prioritise internationally recognised language proficiency certification programmes in collaboration with leading partners. This strategic direction is complemented by targeted student recruitment initiatives and the introduction of flexible, career-oriented language programmes tailored to meet the needs of professionals and international students.

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 31.12.2023 RM'000	Year-to-date ended 31.12.2023 RM'000
On current quarter results		
- Corporate income tax	(2,590)	(3,790)

The effective income tax rate of the Group for the current quarter and year-to-date ended 31 December 2023 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.

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) On 8 August 2019, the Company announced 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 Beach Resort & Spa Cherating, measuring in aggregate area of approximately 42,635 square metres for a buy back price of RM22,965,600 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) On 6 November 2020, the Company announced 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:

(c) On 28 June 2023, the Company announced that Langkawi Holiday Villa Sdn Bhd ("LHV") had on 28 June 2023 entered into an Agreement to Terminate ("Lease Termination Agreement") with Pacific Trustees Berhad (acting as trustee for AmanahRaya Real Estate Investment Trust) ("Lessor") for the mutual termination of the Renewal Lease Agreement dated 16 December 2016 (including the Lease and the Renewal Lease Agreement Rights as defined in the Company's announcement dated 28 June 2023) ("Renewal Lease Agreement") of the 4-star beach resort hotel building with 238 rooms known as "Holiday Villa Beach Resort & Spa Langkawi" ("Hotel") which is being leased by LHV from the Lessor, for a cash compensation sum of RM45 million to be paid to LHV subject to the terms and conditions as stipulated in the Lease Termination Agreement ("Proposed Termination of LHV Lease").

On 1 September 2023, the Company announced that LHV's Solicitors had received the Lessor's Solicitors' Notice on 1 September 2023 and accordingly the Lease Termination Agreement became unconditional on 1 September 2023 ("Unconditional Date"). On the Unconditional Date, the Renewal Lease Agreement was effectively terminated in its entirety ("Lease Termination Date").

On 2 January 2024, the Company announced that LHV has fulfilled and performed its obligations under the Lease Termination Agreement on 31 December 2023.

21. 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 2023 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	*	-	Within 3 months	-
Working capital of the Group	51,900	43,654	*	8,250	Within 12 months	Additional 36 months
Expenses for the disposal	10,760	10,760		-	Within 3 months	-
	124,000	115,750		8,250		

* The remaining amount of RM4,000 which was not utilised for repayment of borrowing was utilised for working capital of the Group.

22. Utilisation of proceeds from disposal of hotel management agreements, licensing agreements and trademarks of Alangka-Suka Hotels & Resorts Sdn Bhd Group

The status of utilisation of proceeds raised from the disposal of hotel management agreements, licensing agreements and trademarks of Alangka-Suka Hotels & Resorts Sdn Bhd Group, as at 31 December 2023 is as follows:

	Proposed Utilisation RM'000	Utilisation to-date RM'000	Balance unutilised RM'000	Intended timeframe for Utilisation from 03.12.2021
Working capital of the Group	4,844	4,857 *	-	Proceeds of RM4.844 million - Within 24 months
	2,000	1,600	400	Proceeds of RM200,000 per quarter totaling RM2.0 million for Remaining Balance - Within 3 months from the receipt of the quarterly payment
Expenses for the disposal	156	143 *	-	- Within 12 months
	7,000	6,600	400	

* The remaining amount of RM13,000 which was not utilised for expenses in relation to the disposal was utilised for working capital of the Group.

23. Utilisation of proceeds from the Rights Issue

The status of utilisation of proceeds raised from the Rights Issue as at 31 December 2023 is as follows:

	Proposed Utilisation RM'000	Utilisation to-date RM'000	Balance unutilised RM'000	Intended timeframe for Utilisation from 04.11.2022
Investment in existing businesses and/or future business expansion/ new strategic investment	53,200	37,407	15,793	Within 36 months
Working capital	25,600	25,618 *	-	Within 36 months
Expenses for the Rights Issue	1,200	1,182 *	-	Immediately
	80,000	64,207	15,793	

* The remaining amount of RM18,000 which was not utilised for expenses in relation to the Rights Issue was utilised for working capital of the Group.

24. Group borrowings

Details of the borrowings by the Group are as follows:

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Short term - secured		
- Term loans	10,875	8,799
- Revolving credit	39,000	40,000
	49,875	48,799
Long term - secured		
- Term loans	85,059	90,116
	85,059	90,116
Total borrowings	134,934	138,915

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 year.

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.

27. Notes To The Statement of Comprehensive Income

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

	12 months ended 31.12.2023 RM'000	12 months ended 31.12.2022 RM'000
Amortisation of intangible assets	(707)	(784)
Depreciation	(15,542)	(15,188)
Dividend received	54	119
Effect of modification to lease terms	2,968	92
Fair value change in unquoted investment securities	(25,871)	(11,608)
Fair value change in quoted investment securities	(205)	(1,075)
Fair value change in investment properties	200	250
(Impairment loss)/Reversal of impairment loss on:		
- goodwill	(39,465)	(8,962)
- trade and other receivables	(1,614)	-
- property, plant and equipment	(15,707)	-
- right-of-use assets	(6,000)	
Interest expenses	(11,416)	(6,714)
Interest income	2,345	1,648
Inventory written down	(1,664)	-
Net gain on disposal of:		
- property, plant and equipment	(2,942)	22
- investment properties	-	167
- quoted investment securities	1	(128)
Net gain on termination of lease agreement	38,600	-
Net unrealised (loss)/gain on foreign exchange	(215)	(1,791)
Property, plant and equipment written off	(402)	(443)
Provision for retirement benefits plan obligations	-	(127)

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 2023.

29. Loss per share

Basic loss per share

The basic loss per share for the current quarter and current year-to-date are computed based on the Group's net loss attributable to equity holders of the Company of RM38,963,000 and RM49,339,000 respectively, divided by the weighted average number of ordinary shares of 2,529,194,943 for the current quarter and current year-to-date respectively as follows:

	3 months ended		Year-to-date ended	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
	No. of shares		No. of shares	
Issued ordinary shares at beginning of the period	2,529,194,943	929,194,943	2,529,194,943	929,194,943
Weighted average number of new ordinary shares arising from the rights issue	-	1,078,260,870	-	271,780,822
Issued / weighted average number of ordinary shares	2,529,194,943	2,007,455,813	2,529,194,943	1,200,975,765

	3 months ended		Year-to-date ended	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Basic loss per share (sen)	(1.54)	(0.80)	(1.95)	(2.94)

Diluted loss per share

The basic and diluted 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	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Diluted loss per share (sen)	(1.54)	(0.80)	(1.95)	(2.94)

30. Status of E-commerce activities

Not applicable.

BY ORDER OF THE BOARD
ADVANCE SYNERGY BERHAD

LIM LEE CHIN
Company Secretary
29 February 2024