

ECM LIBRA GROUP BERHAD (Company No. 200501031433) (713570-K)
Condensed Interim Consolidated Financial Statements

Condensed Consolidated Statement of Financial Position as at 30 June 2023

	30-Jun-23	31-Dec-22
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	97,187	98,030
Intangible assets	54	81
Right-of-use assets	14,127	13,209
Deferred tax assets	2,157	2,157
Investments in associates	12,627	21,320
Investments in joint ventures	57,571	56,727
	<u>183,723</u>	<u>191,524</u>
CURRENT ASSETS		
Inventories	393	283
Trade and other receivables	4,234	4,172
Contract assets	250	364
Tax recoverable	91	111
Cash and bank balances and deposits with licensed financial institutions	47,809	11,779
	<u>52,777</u>	<u>16,709</u>
TOTAL ASSETS	<u>236,500</u>	<u>208,233</u>
EQUITY AND LIABILITIES		
CURRENT LIABILITIES		
Loans and borrowings	22,152	21,258
Trade and other payables	3,332	3,486
Lease liabilities	727	386
Contract liabilities	315	422
	<u>26,526</u>	<u>25,552</u>
NET CURRENT ASSETS/(LIABILITIES)	<u>26,251</u>	<u>(8,843)</u>

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Condensed Consolidated Statement of Financial Position as at 30 June 2023 (cont'd.)

	30-Jun-23	31-Dec-22
	RM'000	RM'000
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES (CONT'D.)		
NON-CURRENT LIABILITIES		
Loans and borrowings	15,974	17,165
Lease liabilities	3,212	2,475
Deferred tax liabilities	8	8
	<u>19,194</u>	<u>19,648</u>
TOTAL LIABILITIES	<u>45,720</u>	<u>45,200</u>
NET ASSETS	<u>190,780</u>	<u>163,033</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	107,546	107,546
Retained earnings	95,264	68,260
Reserves	(12,030)	(12,773)
TOTAL EQUITY	<u>190,780</u>	<u>163,033</u>
TOTAL LIABILITIES AND EQUITY	<u>236,500</u>	<u>208,233</u>
Net assets per share (RM)	<u>0.40</u>	<u>0.34</u>

The above unaudited condensed consolidated statement of financial position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

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Unaudited Condensed Consolidated Statement of Profit or Loss
for the second quarter and year-to-date ended 30 June 2023

	Note	Quarter Ended		Year-to-Date Ended	
		30-Jun-23 RM'000	30-Jun-22 RM'000	30-Jun-23 RM'000	30-Jun-22 RM'000
Revenue		8,629	5,160	16,635	9,021
Other income		314	246	588	505
Changes in inventories		65	8	110	17
Purchase of inventories		(525)	(447)	(1,165)	(872)
Operating expenses		(7,932)	(6,335)	(16,151)	(11,997)
Profit/(loss) from operations		551	(1,368)	17	(3,326)
Finance costs		(689)	(458)	(1,276)	(910)
Share of results of associates and joint ventures, net of tax		27,830	(360)	28,282	(699)
Profit/(loss) before tax	24	27,692	(2,186)	27,023	(4,935)
Taxation		(15)	(8)	(19)	(17)
Profit/(loss) for the financial period attributable to owners of the Company		27,677	(2,194)	27,004	(4,952)
		Sen	Sen	Sen	Sen
Basic and diluted earnings/(loss) per ordinary share attributable to owners of the Company	28	5.77	(0.46)	5.63	(1.03)

The above unaudited condensed consolidated statement of profit or loss should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

ECM LIBRA GROUP BERHAD (Company No. 200501031433) (713570-K)
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Unaudited Condensed Consolidated Statement of Comprehensive Income
for the second quarter and year-to-date ended 30 June 2023

	Quarter Ended		Year-to-Date Ended	
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the financial period	27,677	(2,194)	27,004	(4,952)
Other comprehensive income/(loss):				
<i>Items that may be reclassified to profit or loss in subsequent periods, net of tax:</i>				
Exchange differences on translation of investment in foreign operations	1,510	(1,183)	1,164	98
Share of other comprehensive (loss)/income in an associate	(558)	(49)	(421)	(116)
	952	(1,232)	743	(18)
<i>Items that will not be reclassified to profit or loss in subsequent periods, net of tax:</i>				
Fair value changes on financial assets measured at fair value through other comprehensive income	-	(224)	-	(224)
Other comprehensive income/(loss) for the financial period, net of tax	952	(1,456)	743	(242)
Total comprehensive income/(loss) for the financial period, net of tax attributable to owners of the Company	28,629	(3,650)	27,747	(5,194)

The above unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

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Unaudited Condensed Consolidated Statement of Changes in Equity for the second quarter and year-to-date ended 30 June 2023

	<-----Non-distributable----->			Distributable	
	Share capital RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2023	107,546	(639)	(12,134)	68,260	163,033
Gain on foreign currency translation	-	1,164	-	-	1,164
Share of comprehensive loss in an associate	-	(421)	-	-	(421)
Total other comprehensive income for the financial period	-	743	-	-	743
Profit for the financial period	-	-	-	27,004	27,004
Total comprehensive income for the financial period	-	743	-	27,004	27,747
At 30 June 2023	107,546	104	(12,134)	95,264	190,780
At 1 January 2022	107,546	(23)	(11,768)	69,454	165,209
Gain on foreign currency translation	-	98	-	-	98
Share of comprehensive loss in an associate	-	(116)	-	-	(116)
Net change in fair value of an equity investment	-	-	(224)	-	(224)
Total other comprehensive loss for the financial period	-	(18)	(224)	-	(242)
Loss for the financial period	-	-	-	(4,952)	(4,952)
Total comprehensive loss for the financial period	-	(18)	(224)	(4,952)	(5,194)
At 30 June 2022	107,546	(41)	(11,992)	64,502	160,015

The above unaudited condensed consolidated statement of changes in equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

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Unaudited Condensed Consolidated Statement of Cash Flows
for the second quarter and year-to-date ended 30 June 2023

	Quarter and	
	Year-to-Date Ended	
	30-Jun-23	30-Jun-22
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before tax	27,023	(4,935)
Adjustments to reconcile profit/(loss) before tax to net cash flows	(24,927)	3,557
Operating profit/(loss) before changes in working capital	<u>2,096</u>	<u>(1,378)</u>
(Increase)/decrease in operating assets	(46)	4,920
(Decrease)/increase in operating liabilities	(261)	209
Cash generated from operations	<u>1,789</u>	<u>3,751</u>
Interest received	111	404
Interest paid	(1,273)	(907)
Tax refunded	18	-
Tax paid	(17)	(53)
Net cash generated from operating activities	<u>628</u>	<u>3,195</u>
Cash flows from investing activities		
Advances to joint ventures	(1,226)	(669)
Purchase of property, plant and equipment	(811)	(108)
Purchase of additional shares in an associate	-	(6,802)
Dividend received from an associate and joint venture companies	38,100	-
Net cash generated from/(used in) investing activities	<u>36,063</u>	<u>(7,579)</u>
Cash flows from financing activities		
Repayment of term loans	(300)	(300)
Payment of lease liabilities - principal	(361)	(375)
Net cash used in financing activities	<u>(661)</u>	<u>(675)</u>
Net increase/(decrease) in cash and cash equivalents	36,030	(5,059)
Cash and cash equivalents at beginning of the financial period	11,302	17,228
Cash and cash equivalents at end of the financial period	<u>47,332</u>	<u>12,169</u>
Cash and cash equivalents comprise:		
Cash and bank balances	2,194	2,909
Deposits placements with licensed financial institutions	45,615	9,737
	<u>47,809</u>	<u>12,646</u>
Less: Monies held in Debt Service Reserve Accounts	(477)	(477)
	<u>47,332</u>	<u>12,169</u>

The above unaudited condensed consolidated statement of cash flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

Part A: Explanatory notes pursuant to Malaysian Financial Reporting Standard 134

1 Basis of preparation

These unaudited condensed consolidated interim financial statements ("Condensed Report") have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting*, the International Accounting Standard 34 *Interim Financial Reporting* and the requirements of the Companies Act 2016 in Malaysia, where applicable. This Condensed Report has been prepared under the historical cost convention and is presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

This Condensed Report has also been prepared in accordance with paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Condensed Report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022. The explanatory notes attached to this Condensed Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

2 Significant accounting policies

2.1 Adoption of Amendments to Standards

The accounting standards adopted in the preparation of the Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 December 2022, except for the following which were adopted at the beginning of the current financial period. These pronouncements are either not relevant or do not have any material impact on the Group's financial statements for the current financial period.

MFRS 17 *Insurance Contracts* and Amendments to MFRS 17 *Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information*
Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
Amendments to MFRS 112 *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform - Pillar Two Model Rules*

2.2 Standards issued but not yet effective

As at the date of authorisation of this Condensed Report, the following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective to the Group.

Effective for financial periods commencing on or after 1 January 2024
Amendments to MFRS 16 *Leases - Lease liability in a Sale and Leaseback*
Amendments to MFRS 101 *Presentation of Financial Statements - Non-current Liabilities with Covenants*
Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosure - Supplier Finance Arrangements*

2 Significant accounting policies (cont'd.)

2.2 Standards issued but not yet effective (cont'd.)

Deferred to a date to be announced by MASB

Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The above pronouncements are either not relevant or do not have any material impact on the Group's financial statements.

3 Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2022 was not qualified.

4 Comments about seasonal or cyclical factors

The business operations of the Group are not materially affected by any seasonal or cyclical factors, apart from the general economic conditions in which it operates.

5 Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows during the current quarter and year-to-date ended 30 June 2023.

6 Significant estimates and changes in estimates

There were no changes in estimates that have had any material effect during the current quarter and year-to-date ended 30 June 2023.

7 Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and year-to-date ended 30 June 2023.

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8 Dividend paid

There was no dividend paid during the current quarter and year-to-date ended 30 June 2023.

9 Disaggregation of revenue

	Quarter Ended		Year-to-Date Ended	
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
	RM'000	RM'000	RM'000	RM'000
Revenue from contract with customers:				
Hotel operations	6,301	3,484	12,188	5,860
Sale of food and beverages	1,486	1,088	2,911	2,030
Management services fees	774	510	1,413	956
	8,561	5,082	16,512	8,846
Revenue from other sources:				
Interest income	68	78	123	175
	68	78	123	175
	8,629	5,160	16,635	9,021
Timing of revenue recognition				
At a point in time	1,486	1,088	2,911	2,030
Over time	7,075	3,994	13,601	6,816
	8,561	5,082	16,512	8,846

All sales are made within Malaysia.

10 Segmental reporting

The Group's reportable operating segments are identified based on business units which are engaged in providing different services and products, as follows:

- (a) Investment Holding - general investments and corporate related activities;
- (b) Structured Financing - structured lending and financial-related services; and
- (c) Hospitality - management and operations of hotels and restaurant and investment in hospitality related business through joint ventures.

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10 Segmental reporting (cont'd.)

	Investment Holding RM'000	Structured Financing RM'000	Hospitality RM'000	Group total RM'000
Three months' results ended 30 June 2023				
Revenue	23	23	8,583	8,629
Other income	30	-	284	314
Changes in inventories	-	-	65	65
Purchase of inventories	-	-	(525)	(525)
Operating expenses	(617)	(19)	(7,296)	(7,932)
(Loss)/profit from operations	(564)	4	1,111	551
Finance costs	(8)	-	(681)	(689)
Share of results of associates and joint ventures, net of tax	27,343	-	487	27,830
Profit before tax	26,771	4	917	27,692
Taxation	(14)	(1)	-	(15)
Profit after tax	26,757	3	917	27,677

Other information

Included in the profit after tax are:

- Interest income	23	23	22	68
- Depreciation and amortisation	(98)	-	(1,035)	(1,133)

Three months' results ended 30 June 2022

Revenue	38	39	5,083	5,160
Other income	-	-	246	246
Changes in inventories	-	-	8	8
Purchase of inventories	-	-	(447)	(447)
Operating expenses	(717)	(2)	(5,616)	(6,335)
(Loss)/profit from operations	(679)	37	(726)	(1,368)
Finance costs	-	-	(458)	(458)
Share of results of associates and joint ventures, net of tax	342	-	(702)	(360)
(Loss)/profit before tax	(337)	37	(1,886)	(2,186)
Taxation	-	(8)	-	(8)
(Loss)/profit after tax	(337)	29	(1,886)	(2,194)

Other information

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

- Interest income	38	39	1	78
- Depreciation and amortisation	(81)	-	(973)	(1,054)

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10 Segmental reporting (cont'd.)

	Investment Holding RM'000	Structured Financing RM'000	Hospitality RM'000	Group total RM'000
Six months' results ended 30 June 2023				
Revenue	28	55	16,552	16,635
Other income	30	-	558	588
Changes in inventories	-	-	110	110
Purchase of inventories	-	-	(1,165)	(1,165)
Operating expenses	(1,236)	(36)	(14,879)	(16,151)
(Loss)/profit from operations	(1,178)	19	1,176	17
Finance costs	(8)	-	(1,268)	(1,276)
Share of results of associates and joint ventures, net of tax	27,728	-	554	28,282
Profit before tax	26,542	19	462	27,023
Taxation	(14)	(5)	-	(19)
Profit after tax	26,528	14	462	27,004

Other information

Included in the profit after tax are:

- Interest income	28	55	40	123
- Depreciation and amortisation	(148)	-	(2,054)	(2,202)

Six months' results ended 30 June 2022

Revenue	85	86	8,850	9,021
Other income	-	1	504	505
Changes in inventories	-	-	17	17
Purchase of inventories	-	-	(872)	(872)
Operating expenses	(1,345)	(14)	(10,638)	(11,997)
(Loss)/profit from operations	(1,260)	73	(2,139)	(3,326)
Finance costs	(1)	-	(909)	(910)
Share of results of associates and joint ventures, net of tax	1,121	-	(1,820)	(699)
(Loss)/profit before tax	(140)	73	(4,868)	(4,935)
Taxation	-	(17)	-	(17)
(Loss)/profit after tax	(140)	56	(4,868)	(4,952)

Other information

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

- Interest income	85	86	4	175
- Depreciation and amortisation	(177)	-	(1,946)	(2,123)

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10 Segmental reporting (cont'd.)

	Investment Holding RM'000	Structured Financing RM'000	Hospitality RM'000	Total RM'000
Other information as at 30 June 2023				
Total assets	108,580	3,156	124,764	236,500
Total liabilities	742	4	44,974	45,720
Investments in associates	12,627	-	-	12,627
Investments in joint ventures	-	-	57,571	57,571
Capital expenditure	-	-	811	811
Other information as at 31 December 2022				
Total assets	79,966	5,144	123,123	208,233
Total liabilities	652	7	44,541	45,200
Investments in associates	21,320	-	-	21,320
Investments in joint ventures	-	-	56,727	56,727
Capital expenditure	5	-	527	532

11 Changes in the composition of the Group

The Company's 30.0%-owned associate company, Positive Carry Sdn Bhd has disposed of all the 24,000,000 ordinary shares owned in TYK Capital Sdn Bhd pursuant to the terms of the sale and purchase agreement ("SPA") dated 5 May 2023 ("Disposal"). Following the completion of SPA on 26 June 2023, the Company no longer has an effective equity interest in TYK Capital Sdn Bhd and recorded a share of profits of RM27.24 million from the Disposal.

Other than above, there were no other material changes in the composition of the Group during the current quarter and year-to-date ended 30 June 2023.

12 Contingent assets and liabilities

There were no contingent assets and contingent liabilities as at 30 June 2023.

13 Property, plant and equipment

The Group's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

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14 Related party disclosures

All related party transactions and balances within the Group had been entered into in the normal course of business and were carried out on normal commercial terms during the current quarter and year-to-date ended 30 June 2023.

15 Event after the reporting period

There was no material event subsequent to the current quarter and year-to-date ended 30 June 2023.

16 Significant event during the financial period

There was no significant event during the current quarter and year-to-date ended 30 June 2023.

17 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (i) Financial assets measured at amortised cost ("FA"); and
- (ii) Financial liabilities measured at amortised cost ("FL").

	Carrying amount	FA	FL
	RM'000	RM'000	RM'000
30 June 2023			
Financial assets			
Cash and bank balances and deposits with licensed financial institutions	47,809	47,809	-
Trade and other receivables excluding prepayments	3,180	3,180	-
	50,989	50,989	-
Financial liabilities			
Trade and other payables	(3,332)	-	(3,332)
Loans and borrowings	(38,126)	-	(38,126)
Lease liabilities	(3,939)	-	(3,939)
	(45,397)	-	(45,397)
	Carrying amount	FA	FL
	RM'000	RM'000	RM'000
31 December 2022			
Financial assets			
Cash and bank balances and deposits with licensed financial institutions	11,779	11,779	-
Trade and other receivables excluding prepayments	3,600	3,600	-
	15,379	15,379	-
Financial liabilities			
Trade and other payables	(3,486)	-	(3,486)
Loans and borrowings	(38,423)	-	(38,423)
Lease liabilities	(2,861)	-	(2,861)
	(44,770)	-	(44,770)

Part B – Additional information required by the listing requirements of Bursa Malaysia Securities Berhad ("Bursa")

18 Status of corporate proposals announced

There are no corporate proposals announced but not completed as at the reporting date.

19 Review of performance

(a) Financial period ended 30 June 2023 compared with the previous financial period ended 30 June 2022

The Group recorded total revenue of RM16.64 million in the current financial period ended 30 June 2023 ("6M FY2023") representing an increase of 84% compared with total revenue of RM9.02 million recorded in the previous financial period ended 30 June 2022 ("6M FY2022"). The improved revenue attributed mainly by the better performance of the hospitality segment as a result of higher room occupancies and food and beverage revenue.

The Group reported a profit before tax of RM27.02 million in 6M FY2023 compared to a loss before tax of RM4.94 million in 6M FY2022. The improvement was mainly due to higher share of profits from associates and joint ventures of RM28.28 million in 6M FY2023 (6M FY2022: share of loss of RM0.70 million) resulted from the disposal of shares in TYK Capital Sdn Bhd by an associate company as disclosed in Note 11.

Review of segmental performance:

(i) Investment Holding

The investment holding segment recorded a profit before tax of RM26.54 million in 6M FY2023 (6M FY2022: loss before tax of RM0.14 million) mainly due to higher share of profits from associates and joint ventures of RM27.73 million in 6M FY2023 (6M FY2022: RM1.12 million) resulted from the disposal of shares in TYK Capital Sdn Bhd by an associate company as disclosed in Note 11.

(ii) Structured Financing

The structured financing segment recorded a lower segment profit of RM0.02 million in 6M FY2023, a decrease of 71% from RM0.07 million in 6M FY2022 due to lower interest income. The Group has not extended any loans to any party during the financial period ended 30 June 2023 in its ordinary course of business as a licensed money lender.

(iii) Hospitality

The hospitality segment's revenue rose by 87% to RM16.55 million in 6M FY2023 (6M FY2022: RM8.85 million) mainly due to overall rise in occupancies across the hospitality assets and higher food and beverage revenue in 6M FY2023. Consequently, a profit before tax of RM0.46 million in 6M FY2023 was recorded, an encouraged improvement from a loss before tax of RM4.87 million in 6M FY2022.

(b) Financial quarter ended 30 June 2023 compared with the previous financial quarter ended 30 June 2022

The Group's revenue for the current financial quarter ended 30 June 2023 ("Q2 FY2023") was RM8.63 million, an increase of 67% from RM5.16 million in the preceding year corresponding quarter ended 30 June 2022 ("Q2 FY2022") with the hospitality segment being the main contributor to the higher revenue.

The Group reported a profit before tax of RM27.69 million in Q2 FY2023 compared to a loss before tax of RM2.19 million in Q2 FY2022. The improvement was mainly due to higher share of profits from associates and joint ventures of RM27.83 million in Q2 FY2023 (Q2 FY2022: share of loss of RM0.36 million) resulted from the disposal of shares in TYK Capital Sdn Bhd by an associate company as disclosed in Note 11.

Review of segmental performance:

(i) Investment Holding

The investment holding segment recorded a profit before tax of RM26.77 million in Q2 FY2023 (Q2 FY2022: loss before tax of RM0.34 million) mainly due to an increase in the share of profits from associates and joint ventures by RM27.00 million in Q2 FY2023 as compared to Q2 FY2022 resulted from the disposal of shares in TYK Capital Sdn Bhd by an associate company as disclosed in Note 11.

(ii) Structured Financing

The structured financing recorded a lower segment profit of RM0.01 million in Q2 FY2023, a decrease of 75% from RM0.04 million in Q2 FY2022 due to lower interest income. There were no new term loans arising for the financial period ended 30 June 2023.

(iii) Hospitality

The hospitality segment's revenue rose by 69% to RM8.58 million in Q2 FY2023 (Q2 FY2022: RM5.08 million), reflecting stronger leisure demand. The overall rise in occupancies across the hospitality assets and higher food and beverage revenue resulted in a pre-tax profit of RM0.92 million in Q2 FY2023 compared to a pre-tax loss of RM1.89 million in Q2 FY2022.

20 Review of performance of current financial quarter against immediate preceding financial quarter

	Current quarter 30-Jun-23 RM'000	Immediate preceding quarter 31-Mar-23 RM'000
Revenue	8,629	8,006
Other income	314	274
Changes in inventories	65	45
Purchase of inventories	(525)	(640)
Operating expenses	(7,932)	(8,219)
Profit/(loss) from operations	551	(534)
Finance costs	(689)	(587)
Share of results of associates and joint ventures, net of tax	27,830	452
Profit/(loss) before tax	27,692	(669)
Taxation	(15)	(4)
Profit/(loss) for the period attributable to owners of the Company	27,677	(673)

The Group recorded a profit before tax of RM27.69 million in Q2 FY2023, representing an improvement of RM28.36 million compared with loss before tax of RM0.67 million in the previous quarter ended 31 March 2023 ("Q1 FY2023"). The increase was mainly due to higher share of profits from associates and joint ventures of RM27.83 million in Q2 FY2023 (Q1 FY2023: RM0.45 million) resulted from the disposal of shares in TYK Capital Sdn Bhd by an associate company as disclosed in Note 11.

21 Group's prospects

We expect positive momentum to persist across the Group's hospitality portfolio as domestic and inbound travel demand remains robust. Management will continue its focus on realising operating efficiencies whilst delivering on its promise of outstanding guest experience and service to better position the Group and its assets to perform in spite of the challenging cost and inflationary environment.

The Group also expects to deploy capital and opportunistically build its hospitality asset base across Malaysia and the ASEAN region.

22 Profit forecast

The Group did not issue any profit forecast or profit guarantee for the current quarter and year-to-date ended 30 June 2023.

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23 Dividend

There was no dividend declared in respect of the current quarter and the corresponding quarter in the previous year.

24 Loss before tax

	Quarter Ended		Year-to-Date Ended	
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before tax for the period is arrived at after charging/(crediting):				
Auditors' remuneration	24	26	48	51
Amortisation of intangible assets	13	15	27	33
Depreciation of property, plant and equipment	906	799	1,654	1,563
Depreciation of right-of-use assets	214	240	521	527
Employee benefits expense	2,811	2,299	5,826	4,459
Net unrealised loss/(gain) on foreign exchange translation	10	(1)	13	-
Interest expense on:	-	-	-	-
- loans and borrowings	669	448	1,254	894
- lease liabilities	20	10	22	16
Rental income of premises	(39)	(41)	(88)	(113)
Interest income	(68)	(78)	(123)	(175)

Other than the above items, there were no other investment income, write off of receivables, gain or loss on disposal of properties, impairment of assets and exceptional items for the current quarter and year-to-date ended 30 June 2023.

25 Income tax expense

	Quarter Ended		Year-to-Date Ended	
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
Total income tax expense, representing current period's provision				
- Current tax	15	8	19	17
Total income tax expense	15	8	19	17

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current and previous corresponding periods. The effective tax rates of the Group for the current and previous corresponding periods were lower than the statutory tax rate of the respective periods principally due to share of results of associates and joint ventures was net of tax.

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26 Group Borrowings

The Group's borrowings as at 30 June 2023 are as follows:

	RM'000
Current	
Secured term loan	1,944
Secured revolving credit	20,208
	<u>22,152</u>
Non-current	
Secured term loan	15,974
Total borrowings	<u>38,126</u>

The Company has provided corporate guarantee for the Group Borrowings disclosed above.

27 Changes in material litigation

There was no material litigation against the Group as at the reporting date.

28 Earnings/(loss) per ordinary share

(a) Basic earnings/(loss) per ordinary share

The basic earnings/(loss) per ordinary share is calculated by dividing the Group's earnings/(loss) for the reporting period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the reporting period.

	Quarter Ended		Year-to-Date Ended	
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
Profit/(loss) for the financial period attributable to owners of the Company (RM'000)	<u>27,677</u>	(2,194)	<u>27,004</u>	(4,952)
Weighted average number of ordinary shares in issue (units '000)	<u>479,926</u>	479,926	<u>479,926</u>	479,926
Basic earnings/(loss) per ordinary share (sen)	<u>5.77</u>	(0.46)	<u>5.63</u>	(1.03)

(b) Diluted earnings/(loss) per ordinary share

The Group has no dilution in its earnings/(loss) per ordinary share in the current quarter and year-to-date ended 30 June 2023 as there are no dilutive potential ordinary shares.

Date: 24 August 2023