



**VELOCITY CAPITAL
PARTNER BERHAD**

VELOCITY CAPITAL PARTNER BERHAD

(Formerly known as CSH Alliance Berhad)

REGISTRATION NO. 200001002113 (504718-U)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED
31 DECEMBER 2023**

VELOCITY CAPITAL PARTNER BERHAD
(Formerly known as CSH Alliance Berhad)
Registration No. 200001002113 (504718-U)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE
INCOME FOR THE QUARTER ENDED 31 DECEMBER 2023**

| | INDIVIDUAL QUARTER | | | CUMULATIVE PERIOD | | |
|--|----------------------------------|--|--------------|-----------------------------------|-------------------------------------|--------------|
| | CURRENT YEAR QUARTER ENDED | PRECEDING YEAR CORRESPONDING QUARTER ENDED | CHANGES | CURRENT YEAR-TO- DATE ENDED | PRECEDING YEAR-TO- DATE ENDED | CHANGES |
| | 31.12.2023 | 31.12.2022 | | 31.12.2023 | 31.12.2022 | |
| | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| Revenue | 19,798 | 10,191 | 94.3 | 35,724 | 17,939 | 99.1 |
| Cost of sales | (14,531) | (8,491) | (71.1) | (23,547) | (14,944) | (57.6) |
| Gross profit | 5,267 | 1,700 | 209.8 | 12,177 | 2,995 | 306.6 |
| Other income | 8,901 | 333 | 2,573.0 | 9,094 | 952 | 855.3 |
| Operating expenses | (5,063) | (2,941) | (72.2) | (10,017) | (6,227) | (60.9) |
| Other operating expenses | (100) | (116) | 13.8 | (198) | (142) | (39.4) |
| Finance costs | (100) | (103) | 2.9 | (209) | (197) | (6.1) |
| Profit/(Loss) before taxation | 8,905 | (1,127) | 890.2 | 10,847 | (2,619) | 514.2 |
| Taxation | (347) | (410) | 15.4 | (658) | (1,067) | (38.3) |
| Profit/(Loss) after taxation | 8,558 | (1,537) | 656.8 | 10,189 | (3,686) | 376.4 |
| Other comprehensive loss, net of tax | - | - | - | - | - | - |
| Total comprehensive income/(loss) | 8,558 | (1,537) | 656.8 | 10,189 | (3,686) | 376.4 |
| Profit/(Loss) after taxation attributable to: | | | | | | |
| - Owners of the Company | 8,667 | (1,225) | 807.5 | 9,809 | (3,374) | 390.7 |
| - Non-controlling interest | (109) | (312) | 100.0 | 380 | (312) | 100.0 |
| | 8,558 | (1,537) | 656.8 | 10,189 | (3,686) | 376.4 |
| Total comprehensive income/ (loss) attributable to: | | | | | | |
| - Owners of the Company | 8,667 | (1,225) | 807.5 | 9,809 | (3,374) | 390.7 |
| - Non-controlling interest | (109) | (312) | 100.0 | 380 | (312) | 100.0 |
| | 8,558 | (1,537) | 656.8 | 10,189 | (3,686) | 376.4 |
| Earnings/(Loss) per share attributable to Owners of the Company (sen): | | | | | | |
| Basic | 0.63 | (0.09) | | 0.71 | (0.24) | |
| Diluted | 0.63 | (0.09) | | 0.71 | (0.24) | |

The condensed consolidated statements of profit and loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

VELOCITY CAPITAL PARTNER BERHAD
(Formerly known as CSH Alliance Berhad)
Registration No. 200001002113 (504718-U)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

| | UNAUDITED AS AT 31.12.2023 RM'000 | AUDITED AS AT 30.06.2023 RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 51,644 | 50,112 |
| Investment properties | 57,351 | 58,364 |
| Right-of-use assets | 8,791 | 10,601 |
| Intangible asset | 19,413 | 20,270 |
| Goodwill | 1,984 | 1,984 |
| Other investment | - | - |
| Financing receivables | 737 | 737 |
| Fixed deposit with licensed bank | 100 | 100 |
| Total non-current assets | 140,020 | 142,168 |
| Current assets | | |
| Inventories | 10,112 | 9,228 |
| Financing receivables | 192,169 | 161,552 |
| Trade and other receivables | 32,004 | 43,286 |
| Tax recoverable | 793 | 605 |
| Fixed and short-term deposits | 7,763 | 14,929 |
| Cash and bank balances | 41,772 | 43,055 |
| Total current assets | 284,613 | 272,655 |
| TOTAL ASSETS | 424,633 | 414,823 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 396,791 | 396,791 |
| Warrants reserve | 43,722 | 43,722 |
| Accumulated losses | (46,396) | (56,205) |
| | 394,117 | 384,308 |
| Non-controlling interests | 2,950 | 2,570 |
| Total equity | 397,067 | 386,878 |
| Non-current liabilities | | |
| Lease liabilities | 5,751 | 7,367 |
| Deferred tax liabilities | 1,962 | 1,993 |
| Total non-current liabilities | 7,713 | 9,360 |
| Current liabilities | | |
| Lease liabilities | 3,422 | 3,585 |
| Trade and other payables | 15,858 | 14,842 |
| Tax payable | 573 | 158 |
| Total current liabilities | 19,853 | 18,585 |
| Total liabilities | 27,566 | 27,945 |
| TOTAL EQUITY AND LIABILITIES | 424,633 | 414,823 |
| Net assets per ordinary share (RM) | 0.2853 | 0.2782 |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

VELOCITY CAPITAL PARTNER BERHAD

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Registration No. 200001002113 (504718-U)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023**

| | ← Non-distributable → | | | | | |
|---|----------------------------|-------------------------------|---------------------------------|-----------------|---|------------------------|
| | Share capital RM'000 | Warrants reserve RM'000 | Accumulated losses RM'000 | Total RM'000 | Non- controlling interest RM'000 | Total equity RM'000 |
| Balance at 01.07.2023 | 396,791 | 43,722 | (56,205) | 384,308 | 2,570 | 386,878 |
| Profit after taxation for the financial period | - | - | 9,809 | 9,809 | 380 | 10,189 |
| Other comprehensive loss for the financial period, net of tax | - | - | - | - | - | - |
| Total comprehensive income for the financial period | - | - | 9,809 | 9,809 | 380 | 10,189 |
| Balance at 31.12.2023 | 396,791 | 43,722 | (46,396) | 394,117 | 2,950 | 397,067 |
| Balance at 01.07.2022 | 396,791 | 43,722 | (34,373) | 406,140 | - | 406,140 |
| Change in ownership interest in subsidiaries | - | - | 9,178 | 9,178 | (983) | 8,195 |
| Total transactions with Owners of the Company | - | - | 9,178 | 9,178 | (983) | 8,195 |
| Loss after taxation for the financial period | - | - | (3,374) | (3,374) | (312) | (3,686) |
| Other comprehensive loss for the financial period, net of tax | - | - | - | - | - | - |
| Total comprehensive loss for the financial period | - | - | (3,374) | (3,374) | (312) | (3,686) |
| Balance at 31.12.2022 | 396,791 | 43,722 | (28,569) | 411,944 | (1,295) | 410,649 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to these interim financial statements.

VELOCITY CAPITAL PARTNER BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

| | CURRENT YEAR- TO-DATE ENDED 31.12.2023 RM'000 | PRECEDING YEAR- TO-DATE ENDED 31.12.2022 RM'000 |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before taxation | 10,847 | (2,619) |
| Adjustments for: | | |
| Amortisation of intangible asset | 857 | 834 |
| Depreciation of investment properties | 1,013 | 132 |
| Depreciation of property, plant and equipment | 1,358 | 995 |
| Depreciation of right-of-use assets | 1,810 | 1,211 |
| Reversal of impairment losses on other investment | (8,250) | - |
| Interest expense | 209 | 197 |
| Interest income | (183) | (493) |
| Net unrealised loss on foreign exchange | 107 | 16 |
| Property, plant and equipment written off | - | 7 |
| Operating profit before working capital changes | <u>7,768</u> | <u>280</u> |
| Net change in financing receivables | (30,617) | (49,931) |
| Net change in inventories | (884) | (128) |
| Net change in trade and other receivables | 11,175 | 2,273 |
| Net change in trade and other payables | 1,016 | (5,056) |
| Cash flows utilised in operations | <u>(11,542)</u> | <u>(52,562)</u> |
| Interest paid | (209) | (197) |
| Income tax paid | <u>(463)</u> | <u>(257)</u> |
| Net cash used in operating activities | <u>(12,214)</u> | <u>(53,016)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 183 | 493 |
| Net cash inflow from disposal of other investment | 8,250 | - |
| Purchase of property, plant and equipment | (2,718) | (24,901) |
| Subscription of shares by non-controlling interest | - | 8,195 |
| Net cash generated from/(used in) investing activities | <u>5,715</u> | <u>(16,213)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase in fixed deposits pledged as security | - | (110) |
| Repayment of lease liabilities and hire purchase instalments | <u>(1,950)</u> | <u>(997)</u> |
| Net cash used in financing activities | <u>(1,950)</u> | <u>(1,107)</u> |
| Net changes in cash and cash equivalents | (8,449) | (70,336) |
| Cash and cash equivalents at beginning of financial period | 57,311 | 112,150 |
| Cash and cash equivalents at end of financial period | <u>48,862</u> | <u>41,814</u> |
| Cash and cash equivalents at end of financial period comprised: | | |
| Cash and bank balances | 41,772 | 16,685 |
| Fixed deposits with licensed banks | 7,090 | 25,129 |
| | <u>48,862</u> | <u>41,814</u> |

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

VELOCITY CAPITAL PARTNER BERHAD
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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard 134: *Interim Financial Reporting* (“MFRS 134”), International Accounting Standard 34: *Interim Financial Reporting* (“IAS 34”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of Velocity Capital Partner Berhad (“Velocity” or the “Company”) and its subsidiaries (the “Group”) for the financial year ended 30 June 2023. The explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2023.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the accounting period beginning 1 July 2023.

The initial application of the Amendments to MFRSs, is not expected to have any significant financial impact to the financial statements of the Group upon their first adoption except for the changes in presentation and disclosure of financial information.

2. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the audited financial statements for the financial year ended 30 June 2023 was not qualified.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The ceramic segment of the Group is cyclical in nature as it is affected by the seasonal pattern of the importing countries.

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

There were no items affecting assets, liabilities, equity, net income or cash flows during the current financial period under review that were unusual because of their nature, size or incidence.

5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no significant changes in estimates that have any material effect during the current financial quarter under review.

6. DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

7. DIVIDENDS

There was no dividend paid during the current financial period under review.

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8. SEGMENTAL INFORMATION

The Group's business segments as follows:-

- (a) Ceramic – involved in the retail, trading, manufacturing, exporting and marketing of pottery, porcelain products and ceramics wares and ornaments.
- (b) Construction and property division – involved in construction and other related businesses, property investment and property development and other related services.
- (c) Financial services – involved in moneylending business and hire purchase business.
- (d) Transportation and logistics – involved in transportation and logistics business and related information technology (“IT”) solutions and services.
- (e) Others – involved in investment holding and general trading.

The Group operates principally in Malaysia.

Segmental information is provided based on business segments, as follows:-

| | Ceramic RM'000 | Construction and property RM'000 | Financial services RM'000 | Transportation and logistics RM'000 | Others RM'000 | Total RM'000 |
|---|-------------------|--|---------------------------------|---|------------------|-----------------|
| Current year quarter ended | | | | | | |
| 31.12.2023 | | | | | | |
| External revenue | 2,960 | - | 2,207 | 11,218 | 3,413 | 19,798 |
| Results | | | | | | |
| Results before following adjustments: | 486 | 163 | 1,434 | 2,183 | 15,477 | 19,743 |
| Interest income | - | - | 21 | - | 83 | 104 |
| Net unrealised loss on foreign exchange | (51) | - | - | - | - | (51) |
| Amortisation of intangible asset | - | - | - | (428) | - | (428) |
| Depreciation of investment properties | - | (507) | - | - | - | (507) |
| Depreciation of property, plant and equipment | (205) | (13) | (121) | (138) | (224) | (701) |
| Depreciation of right-of-use assets | (5) | - | (11) | (879) | (10) | (905) |
| Reversal of impairment on other investment | - | - | - | - | (8,250) | (8,250) |
| Segment results | 225 | (357) | 1,323 | 738 | 7,076 | 9,005 |
| Finance costs | (4) | - | - | (96) | - | (100) |
| Taxation | (7) | - | (356) | - | 16 | (347) |
| Profit/(Loss) after taxation | 214 | (357) | 967 | 642 | 7,092 | 8,558 |

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8. SEGMENTAL INFORMATION (CONT'D)

Segmental information is provided based on business segments, as follows (Cont'd):-

| | Ceramic RM'000 | Construction and property RM'000 | Financial services RM'000 | Transportation and logistics RM'000 | Others RM'000 | Total RM'000 |
|---|---------------------------|---|--|--|--------------------------|-------------------------|
| Current period-to-date | | | | | | |
| 31.12.2023 | | | | | | |
| External revenue | 4,053 | - | 4,324 | 22,854 | 4,493 | 35,724 |
| Results | | | | | | |
| Results before following adjustments: | (74) | 157 | 2,665 | 6,971 | (1,951) | 7,768 |
| Interest income | - | 1 | 26 | - | 156 | 183 |
| exchange | (107) | - | - | - | - | (107) |
| Amortisation of intangible asset | - | - | - | (857) | - | (857) |
| Depreciation of investment properties | - | (1,013) | - | - | - | (1,013) |
| Depreciation of property, plant and equipment | (410) | (26) | (242) | (274) | (406) | (1,358) |
| Depreciation of right-of-use assets | (9) | - | (22) | (1,759) | (20) | (1,810) |
| Reversal of impairment losses on other investment | - | - | - | - | 8,250 | 8,250 |
| Segment results | (600) | (881) | 2,427 | 4,081 | 6,029 | 11,056 |
| Finance costs | (7) | - | (1) | (200) | (1) | (209) |
| Taxation | (28) | - | (661) | - | 31 | (658) |
| Profit/(Loss) after taxation | (635) | (881) | 1,765 | 3,881 | 6,059 | 10,189 |
| | Ceramic RM'000 | Construction and property RM'000 | Financial services RM'000 | Transportation and logistics RM'000 | Others RM'000 | Total RM'000 |
| 31.12.2023 | | | | | | |
| Assets | | | | | | |
| Segment assets | 22,971 | 75,428 | 213,323 | 50,472 | 62,439 | 424,633 |
| Liabilities | | | | | | |
| Segment liabilities | 5,741 | 809 | 633 | 19,550 | 833 | 27,566 |

VELOCITY CAPITAL PARTNER BERHAD
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8. SEGMENTAL INFORMATION (CONT'D)

Segmental information is provided based on business segments, as follows (Cont'd):-

| | Ceramic RM'000 | Construction and property RM'000 | Financial services RM'000 | Transportation and logistics RM'000 | Others RM'000 | Total RM'000 |
|--|-------------------|--|---------------------------------|---|------------------|-----------------|
| Preceding year corresponding quarter ended 31.12.2022 | | | | | | |
| External revenue | 3,831 | - | 2,290 | 3,591 | 479 | 10,191 |
| Results | | | | | | |
| Results before following adjustments: | 577 | (17) | 1,880 | (1,291) | (627) | 522 |
| Amortisation of intangible asset | - | - | - | (417) | - | (417) |
| Depreciation of investment properties | - | (59) | (7) | - | - | (66) |
| Depreciation of property, plant and equipment | (236) | (13) | (121) | (46) | (142) | (558) |
| Depreciation of right-of-use assets | (4) | - | (11) | (617) | (20) | (652) |
| Interest income | 10 | 1 | 22 | - | 114 | 147 |
| Segment results | 347 | (88) | 1,763 | (2,371) | (675) | (1,024) |
| Finance costs | (4) | - | (1) | (96) | (2) | (103) |
| Taxation | (40) | (4) | (453) | 93 | (6) | (410) |
| Profit/(Loss) after taxation | 303 | (92) | 1,309 | (2,374) | (683) | (1,537) |

VELOCITY CAPITAL PARTNER BERHAD
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8. SEGMENTAL INFORMATION (CONT'D)

Segmental information is provided based on business segments, as follows (Cont'd):-

| | Ceramic RM'000 | Construction and property RM'000 | Financial services RM'000 | Transportation and logistics RM'000 | Others RM'000 | Total RM'000 |
|--|-------------------|--|---------------------------------|---|------------------|-----------------|
| Preceding year ended 31.12.2022 | | | | | | |
| External revenue | 5,398 | - | 4,270 | 7,360 | 911 | 17,939 |
| Results | | | | | | |
| Results before following adjustments: | (115) | (611) | 3,411 | (1,368) | (1,037) | 280 |
| Amortisation of intangible asset | - | - | - | (834) | - | (834) |
| Depreciation of investment properties | - | (118) | (14) | - | - | (132) |
| Depreciation of property, plant and equipment | (473) | (26) | (227) | (72) | (197) | (995) |
| Depreciation of right-of-use assets | (8) | - | (22) | (1,161) | (20) | (1,211) |
| Interest income | 10 | 1 | 27 | - | 455 | 493 |
| Net unrealised loss on foreign exchange | (16) | - | - | - | - | (16) |
| Property, plant and equipment written off | - | - | - | - | (7) | (7) |
| Segment results | (602) | (754) | 3,175 | (3,435) | (806) | (2,422) |
| Finance costs | (7) | - | (2) | (186) | (2) | (197) |
| Taxation | (100) | (9) | (834) | - | (124) | (1,067) |
| (Loss)/Profit after taxation | (709) | (763) | 2,339 | (3,621) | (932) | (3,686) |
| | Ceramic RM'000 | Construction and property RM'000 | Financial services RM'000 | Transportation and logistics RM'000 | Others RM'000 | Group RM'000 |
| 31.12.2022 | | | | | | |
| Assets | | | | | | |
| Segment assets | 22,287 | 41,290 | 241,446 | 38,405 | 84,959 | 428,387 |
| Liabilities | | | | | | |
| Segment liabilities | 4,150 | 275 | 1,475 | 11,246 | 592 | 17,738 |

Geographical information for revenue

| | Current year quarter ended 31.12.2023 RM'000 | Current year- to-date ended 31.12.2023 RM'000 |
|---------------|---|--|
| United States | 213 | 672 |
| Malaysia | 19,507 | 34,974 |
| Others | 78 | 78 |
| | <u>19,798</u> | <u>35,724</u> |

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9. MATERIAL EVENTS DURING THE INTERIM PERIOD

Save for the following, there were no material events during the current quarter ended 31 December 2023:

- (a) Reference is made to the announcement dated 4 October 2023, the Board of Directors announced that the Company had entered into a Shares Sale Agreement with Line Clear Ventures Holdings Sdn. Bhd., for the disposal of 5,400,000 ordinary shares in Line Clear Express & Logistics Sdn. Bhd., representing 5.34% of the equity interest in LCEL, for a total cash consideration of RM8.25 million. The transaction had been completed on 5 October 2023.

10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the end of the current quarter up to 21 February 2024, being the last practicable date from the date of the issue of this report ("LPD") that are expected to have an operational or financial impact on the Group.

11. CHANGES IN COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group during the current financial year under review.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material changes in contingent liabilities and contingent assets since the last annual reporting date.

13. CAPITAL COMMITMENT

There was no capital commitment as at 31 December 2023.

14. CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES, TRANSFERS AND CLASSIFICATIONS

There has been no significant change in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities in the current financial period under review.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

1. The fair value of financing receivables is estimated based on discounted cash flows using prevailing rates of loans of similar credit profile.
2. The fair values of hire purchase payables approximate their carrying amounts.
3. The carrying amount of non-current receivables which is based on principal amounts outstanding representing approximately the cash flow receivables discounted at their effective interest rates, closely approximate their fair values.
4. The carrying amounts of the Group's and of the Company's other financial assets and financial liabilities are reasonable approximation of their fair values, either due to their short-term nature or that they are priced to market interest rates.

There was no transfer in between fair value levels during the current financial period under review.

VELOCITY CAPITAL PARTNER BERHAD
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**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

1. REVIEW OF GROUP PERFORMANCE

| | Individual Period | | | | Cumulative Period | | | | |
|--------------------------------------|-------------------|---------------|---------|------------|-------------------|---------|---------|---------|--|
| | Preceding year | | Current | | Preceding | | | | |
| | Current year | corresponding | | year-to- | year-to- | | | | |
| | quarter ended | quarter ended | Changes | date ended | date ended | Changes | | | |
| 31.12.2023 | 31.12.2022 | RM'000 | % | 31.12.2023 | 31.12.2022 | RM'000 | % | | |
| | | RM'000 | | RM'000 | RM'000 | RM'000 | | | |
| Revenue | | | | | | | | | |
| - Ceramic | 2,960 | 3,831 | (871) | -22.7% | 4,053 | 5,398 | (1,345) | -24.9% | |
| - Construction and property division | - | - | - | 0.0% | - | - | - | 0.0% | |
| - Financial services | 2,207 | 2,290 | (83) | -3.6% | 4,324 | 4,270 | 54 | 1.3% | |
| - Transportation and logistics | 11,218 | 3,591 | 7,627 | 212.4% | 22,854 | 7,360 | 15,494 | 210.5% | |
| - Others | 3,413 | 479 | 2,934 | 100.0% | 4,493 | 911 | 3,582 | 100.0% | |
| | 19,798 | 10,191 | 9,607 | 94.3% | 35,724 | 17,939 | 17,785 | 99.1% | |
| Profit/(Loss) before taxation | | | | | | | | | |
| - Ceramic | 221 | 343 | (122) | -35.6% | (607) | (609) | 2 | -0.3% | |
| - Construction and property division | (357) | (88) | (269) | 305.7% | (881) | (754) | (127) | 16.8% | |
| - Financial services | 1,323 | 1,762 | (439) | -24.9% | 2,426 | 3,173 | (747) | -23.5% | |
| - Transportation and logistics | 642 | (2,467) | 3,109 | -126.0% | 3,881 | (3,621) | 7,502 | -207.2% | |
| - Others | 7,076 | (677) | 7,753 | -1145.2% | 6,028 | (808) | 6,836 | -846.0% | |
| | 8,905 | (1,127) | 10,032 | -890.2% | 10,847 | (2,619) | 13,466 | -514.2% | |

Revenue

The Group's revenue for the current quarter increased by RM9.61 million, representing an increase of 94.3% as compared to the preceding year corresponding quarter ended 31 December 2022.

The Group's revenue for the financial period ended 31 December 2023 increased by RM17.79 million, representing an increase of 99.1% as compared to the preceding year corresponding financial period ended 31 December 2022.

The increase was mainly contributed by revenue derived from transportation and logistics and others segments.

Growth in revenue from transportation and logistics segment was primarily driven by the improved sales in the haulage and hub-to-hub delivery services, as well as higher revenue contribution from the logistics related IT platform, PIPA system. In addition, the increase in revenue from others segment stemmed from heightened distribution of fully commercial electric vehicles.

Profit/(Loss) before taxation (PBT/LBT)

For the current quarter under review, the Group's PBT has improved by RM10.03 million or 890.2% as compared to the LBT incurred in the preceding year corresponding quarter ended 31 December 2022. The increase in the PBT was mainly due to the improved performance in both the transportation and logistics and others segments. Furthermore, the others segment had also recorded a reversal of impairment losses in other investment amounting to RM8.25 million, following the disposal of 5.34% equity interest in Line Clear Express & Logistics Sdn. Bhd.

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2. MATERIAL CHANGE IN PERFORMANCE AS COMPARED TO PRECEDING QUARTER

| | Current year quarter ended 31.12.2023 RM'000 | Immediate preceding quarter ended 30.9.2023 RM'000 | Changes | |
|--------------------------------------|---|---|---------|---------|
| | | | RM'000 | % |
| Revenue | | | | |
| - Ceramic | 2,960 | 1,093 | 1,867 | 170.8% |
| - Construction and property division | - | - | - | 0.0% |
| - Financial services | 2,207 | 2,117 | 90 | 4.3% |
| - Transportation and logistics | 11,218 | 11,637 | (419) | -3.6% |
| - Others | 3,413 | 1,079 | 2,334 | 100.0% |
| | 19,798 | 15,926 | 3,872 | 24.3% |
| Profit/(Loss) before taxation | | | | |
| - Ceramic | 221 | (831) | 1,052 | -126.6% |
| - Construction and property division | (357) | (525) | 168 | -32.0% |
| - Financial services | 1,323 | 1,102 | 221 | 20.1% |
| - Transportation and logistics | 642 | 3,241 | (2,599) | -80.2% |
| - Others | 7,076 | (1,045) | 8,121 | -777.1% |
| | 8,905 | 1,942 | 6,963 | 358.5% |

Revenue

The Group's revenue for the current quarter increased by RM3.87 million, representing an increase of 24.3% as compared to the immediate preceding quarter. The increase is primarily attributed to the increase in revenue from the ceramic and others segments.

PBT

The Group recorded a PBT of RM8.91 million as compared to PBT of RM1.94 million in the immediate preceding quarter. This was mainly due to the reversal of impairment losses amounting to RM8.25 million in other investment during the current quarter.

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3. GROUP'S PROSPECTS

The Group are principally engaged in transportation and logistics, retail, trading, manufacturing, exporting, and marketing pottery, porcelain products, ceramics wares and ornaments, property construction, property investment, property development as well as financial services business. To minimise the over reliance on the existing businesses, the Group has also ventured into the distribution of commercial electric vehicles ("EV") and its related services business which have started to show progress as additional source of income stream and are on track to show profitability.

The Group's moneylending business is expected to continue to grow as it plans to extend its moneylending services to untapped customers which it perceives to be underserved by banks or licensed financial institutions.

Even though the Group presently does not have any ongoing construction and property development projects, it will continue to explore other viable opportunities via joint venture or bidding for a suitable project to revive its construction and property development segments.

The long-term prospect and outlook of the EV industry remained positive, but it would require extensive resources such as considerable capital investments and working capital to be injected into the business for the setting up of the local assembly plant and the 4S service centre, employment of highly-skilled manpower, procurement of advance technologies and machineries and aggressive marketing initiatives to create brand awareness and promote adoption of EVs in the market. Taking cognisance of the above, the Group will adopt cautious measures to implement and execute its plans in stages.

4. PROFIT FORECAST OR PROFIT GUARANTEE

There was no profit forecast or guarantee made public for the current financial period under review.

5. TAXATION

The tax expense is as follows:-

| | Current year quarter ended 31.12.2023 RM'000 | Current year- to-date ended 31.12.2023 RM'000 |
|----------------------|---|--|
| Current tax expense | 362 | 689 |
| Deferred tax expense | (15) | (31) |
| | <u>347</u> | <u>658</u> |

6. CORPORATE PROPOSALS

There were no corporate proposal announced but not completed as at 21 February 2024, being the LPD from the date of the issue of this report.

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7. UTILISATION OF PROCEEDS

Right Issue of Shares with Free Warrant

The Right Issue of Shares with Free Warrant was completed following the listing of 690,705,280 Rights Shares together with 690,705,280 Warrants on the Main Market of Bursa Securities on 26 January 2022.

On 3 June 2022, the proposed variation to the utilisation of proceeds raised from the Rights Issue of Ordinary Shares with Warrants (“Proposed Variation”) was duly passed by way of poll at the Extraordinary General Meeting held on 3 June 2022.

The details of the utilisation of proceeds raised from the Right Issue of Shares with Free Warrant as at 31 December 2023 are disclosed in the table below:-

| Purpose | Proposed utilisation after variation RM'000 | Actual utilisation RM'000 | Balance of proceeds RM'000 | Intended timeframe for utilisation |
|--|--|---------------------------------|----------------------------------|--|
| Transportation and logistics business | 23,869 | 23,869 | - | Fully utilised |
| Electrical vehicles business | 20,000 | 20,000 | - | Fully utilised |
| Financial services business | 56,100 | 56,100 | - | Fully utilised |
| Working capital | 2,947 | 2,947 | - | Fully utilised |
| Expenses for corporate exercise [^] | 690 | 690 | - | Fully utilised |
| | 103,606 | 103,606 | - | |

[^] The surplus of RM24,000 from the expenses for the corporate exercises had been allocated to the working capital of the Group.

8. BORROWINGS AND DEBT SECURITIES

The Group’s borrowings are as follows:-

| | As at 31.12.2023 RM'000 | As at 30.06.2023 RM'000 |
|--------------------------------|-------------------------------|-------------------------------|
| Current - unsecured | | |
| Lease liabilities | 3,422 | 3,585 |
| Non-current - unsecured | | |
| Lease liabilities | 5,751 | 7,367 |
| | 9,173 | 10,952 |

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9. CHANGES IN MATERIAL LITIGATION

The Directors were not aware of any material litigation, which, if enforced, may have a material impact on the profit or net asset value of the Group.

10. PROPOSED DIVIDEND

There were no dividends proposed or declared by the Company for the current financial year under review.

11. EARNINGS/(LOSS) PER SHARE

(i) Basic earnings/(loss) per share

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

| | Individual Period | | Cumulative Period | |
|--|---|--|--|--|
| | Current year quarter ended 31.12.2023 | Preceding year corresponding quarter ended 31.12.2022 | Current year- to-date ended 31.12.2023 | Preceding year- to-date ended 31.12.2022 |
| | | | | |
| Profit/(Loss) attributable to owners of the Company (RM'000) | 8,667 | (1,225) | 9,809 | (3,374) |
| Weighted average number of ordinary shares in issue (Unit'000) | 1,381,411 | 1,381,411 | 1,381,411 | 1,381,411 |
| Basic earnings/(loss) per share (sen) | 0.63 | (0.09) | 0.71 | (0.24) |

(ii) Diluted earnings/(loss) per share

The diluted earnings/(loss) per share of the Group is calculated by dividing the profit/(loss) attributable to Owners of the Company by the weighted average number of ordinary shares in issue during the reporting period which the weighted average number of ordinary shares has been adjusted to assume full conversion of all dilutive potential ordinary shares.

The diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share as the Group has no dilutive potential ordinary shares during the current financial period.

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12. NOTES TO THE STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

| | Current year quarter ended 31.12.2023 RM'000 | Current year-to- date ended 31.12.2023 RM'000 |
|---|---|--|
| Amortisation of intangible asset | 428 | 857 |
| Depreciation of investment properties | 507 | 1,013 |
| Depreciation of property, plant and equipment | 701 | 1,358 |
| Depreciation of right-of-use assets | 905 | 1,810 |
| Reversal of impairment losses on other investment | 8,250 | 8,250 |
| Interest expense | 100 | 209 |
| Interest income | 104 | 183 |
| Other income | 527 | 639 |
| Unrealised loss on foreign exchange | 51 | 107 |

13. AUTHORISED FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 February 2024.