

Interim report on unaudited consolidated results for the financial period ended 30 September 2023

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	Current Quarter			Cumulative Quarter		
	30-Sep-23	30-Sep-22	Changes	30-Sep-23	30-Sep-22	Changes
	RM' 000	RM' 000	%	RM' 000	RM' 000	%
Revenue	13,587	17,842	-23.85%	58,508	66,079	-11.46%
Cost of sales	(12,008)	(16,777)		(54,365)	(61,908)	
Gross profit	1,579	1,065	48.26%	4,143	4,171	-0.67%
Other income	364	361		1,293	843	
Administrative expenses	(1,387)	(941)		(2,812)	(1,907)	
Selling and marketing expenses	(39)	(23)		(135)	(98)	
Other expenses	(91)	-		(91)	-	
Operating profit/(loss)	426	462		2,398	3,009	
Finance costs	(73)	(78)		(299)	(323)	
Finance income	147	85		440	436	
Profit before tax	500	469	6.61%	2,539	3,122	-18.67%
Tax expense	183	(10)		123	(132)	
Profit after tax representing total comprehensive income for the period	<u>683</u>	<u>459</u>	48.80%	<u>2,662</u>	<u>2,990</u>	-10.97%
Attributable to:						
Equity holders of the Company	683	459	48.80%	2,662	2,990	-10.97%
Non-controlling interests	-	-		-	-	
	<u>683</u>	<u>459</u>	48.80%	<u>2,662</u>	<u>2,990</u>	-10.97%
Profit per share (sen)						
- basic	0.07	0.05		0.26	0.29	
- diluted	0.06	0.04		0.24	0.26	

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 September 2022 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

	As at 30-Sep-23 RM' 000 (Unaudited)	As at 30-Sep-22 RM' 000 (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	48,509	48,798
Other investments	_*	_*
	<u>48,509</u>	<u>48,798</u>
Current assets		
Inventories	836	1,480
Trade receivables	6,357	7,725
Other receivables	10,087	9,376
Tax recoverable	185	7
Cash and bank balances	16,810	10,572
Fixed deposits with licensed banks	10,112	10,373
	<u>44,387</u>	<u>39,533</u>
TOTAL ASSETS	<u><u>92,896</u></u>	<u><u>88,331</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	89,207	88,701
Warrant reserves	8,595	8,719
Retained earnings b/f	(21,302)	(24,358)
Bonus Issue	(66)	-
Profit for the year	2,662	2,990
	<u>79,096</u>	<u>76,052</u>
Non-controlling interests	-	-
TOTAL EQUITY	<u><u>79,096</u></u>	<u><u>76,052</u></u>
Non-current liability		
Lease liabilities	7,584	8,039
Deferred tax liabilities	6	-
	<u>7,590</u>	<u>8,039</u>
Current liabilities		
Trade payables	3,662	1,136
Other payables	920	1,013
Contract liabilities	891	1,415
Lease liabilities	731	654
Tax payable	6	22
	<u>6,210</u>	<u>4,240</u>
TOTAL LIABILITIES	<u>13,800</u>	<u>12,279</u>
TOTAL EQUITY AND LIABILITIES	<u><u>92,896</u></u>	<u><u>88,331</u></u>
Net assets per share attributable to ordinary owners of the Company (RM)	<u>0.08</u>	<u>0.07</u>
	-	-

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 September 2022 and the accompanying explanatory notes attached to the interim financial statements.

* Represents RM1

Lotus KFM Berhad
(Registration No. 198401007083 [119598-P])

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	← Attributable to Owners of the Company →				Total RM' 000	Non- controlling Interests RM' 000	Total Equity RM' 000
	Share Capital RM' 000	Rdeemable Convertible Preference Shares RM' 000	Warrant Reserves RM' 000	Accumulated Losses RM' 000			
Opening balance as at 1 October 2021	88,701	-	8,719	(24,358)	73,062	-	73,062
Total comprehensive income	-	-	-	2,990	2,990	-	2,990
Closing balance as at 30 September 2022	<u>88,701</u>	<u>-</u>	<u>8,719</u>	<u>(21,368)</u>	<u>76,052</u>	<u>-</u>	<u>76,052</u>
Opening balance as at 1 October 2022	88,701	-	8,719	(21,368)	76,052	-	76,052
Exercise of warrant shares	506	-	(124)	-	382	-	382
Total comprehensive income	-	-	-	2,662	2,662	-	2,662
Closing balance as at 30 September 2023	<u>89,207</u>	<u>-</u>	<u>8,595</u>	<u>(18,706)</u>	<u>79,096</u>	<u>-</u>	<u>79,096</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 September 2022 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	Twelve Months Ended	
	30-Sep-23	30-Sep-22
	RM' 000	RM' 000
OPERATING ACTIVITIES		
Profit before tax for the period	2,539	3,122
Adjustments for:		
Depreciation of property, plant and equipment	1,737	1,728
Gain on disposal of other investment	(480)	-
Gain on modification of lease contract	(141)	-
Waiver of liabilities	(24)	-
Property, plant and equipment written off	-	4
Provision for slow moving inventories	91	-
Interest income	(440)	(436)
Interest expense	299	323
Gain on termination of lease contract	-	(2)
Inventories written off	-	270
Reversal of inventories written down	-	(228)
Operating cash flows before working capital changes	<u>3,581</u>	<u>4,781</u>
<u>Changes in working capital</u>		
- contract liabilities	(523)	(86)
- trade and other receivables	657	6,139
- inventories	553	2,974
- trade and other payables	<u>2,456</u>	<u>(2,192)</u>
	6,724	11,616
Interest received	201	201
Tax paid	(71)	(212)
Tax refund	6	-
Net cash flows from operating activities	<u>6,860</u>	<u>11,605</u>
INVESTING ACTIVITIES		
Proceeds from disposal of other investment	480	-
Purchase of property, plant and equipment	(997)	(2,559)
Interest received	239	235
Cash outflow from acquisition of subsidiaries	-	(26,671)
Net cash flows used in investing activities	<u>(278)</u>	<u>(28,995)</u>
FINANCING ACTIVITIES		
Payment of lease liabilities	(688)	(619)
Interest paid	(299)	(323)
Placement of fixed deposit pledged to a licensed bank	(808)	(235)
Uplift of fixed deposits pledged with a licensed bank	3,086	4,900
Repayment of bank acceptance	-	(191)
Issuance of shares pursuant to warrant exercised	382	-
Net cash flows from financing activities	<u>1,673</u>	<u>3,532</u>
CASH AND CASH EQUIVALENTS		
Net changes	8,255	(13,858)
At beginning of period	10,573	24,431
At end of period	<u>18,828</u>	<u>10,573</u>

Cash and cash equivalents at the end of the financial period comprise of the following:

	As at	As at
	30-Sep-23	30-Sep-22
	RM' 000	RM' 000
<u>Cash and cash equivalents included in consolidated statement of cash flows comprise the following:-</u>		
Fixed deposits with a licensed bank	10,112	10,373
Cash and bank balances	<u>16,810</u>	<u>10,572</u>
	26,922	20,945
Less: Fixed deposits pledged as security	<u>(8,094)</u>	<u>(10,372)</u>
	<u>18,828</u>	<u>10,573</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 September 2022 and the accompanying explanatory notes attached to the interim financial statements.

Part A - MFRS 134 Requirements

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") No. 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Group's audited financial statements for the period ended 30 September 2022. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes on the financial position and performance of the Group since the financial period ended 30 September 2022.

A2 Accounting Policies

The accounting policies and presentation applied by the Group in these interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 30 September 2022, except for the adoption of the new and amended MFRSs, and Issues Committee (IC) Interpretations mandatory for annual financial periods beginning on or after 1 January 2023.

These new MFRS and revision and amendments not adopted by the Group do not have any significant impact on the financial statements of the Group.

A3 Auditors' Report on Preceding Annual Financial Statements

The audited financial statements of the Group for the preceding financial year ended 30 September 2022 were not subject to any qualification.

A4 Comments about Seasonal or Cyclical Factors

The businesses of the Group are generally not affected by the seasonal and cyclical factors.

A5 Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

A6 Changes in Estimates

There were no changes in estimates that have any material effect on the current quarterly results.

A7 Debt and Equity Securities

During the 12-month period ended 30 September 2023, the Group has issued new ordinary shares as follows:-

	Issue Price	No. of Shares
Conversion of Warrants	RM0.10	3,819,500

As at 30 September 2023, the total number of outstanding warrants was 263,988,860.

Other than as disclosed above, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

A8 Dividend Paid

No dividend has been paid for the financial period under review.

A9 Operating Segment

The Group's activities are identified into the following business segments:

	Flour milling and trading (RM'000)	Plantation (RM'000)	Adjustments and elimination (RM'000)	Total (RM'000)
Period Ended 30 September 2023				
<u>Revenue</u>				
External customers	58,508	-	-	58,508
<u>Results</u>				
Profit from operations	3,894	(314)	-	3,580
Finance income	440	-	-	440
Finance costs	(299)	-	-	(299)
Depreciation	(1,646)	(15)	(76)	(1,737)
Other non-cash items	654	25	(124)	555
Taxation	135	(12)	-	123
	<u>3,178</u>	<u>(316)</u>	<u>(200)</u>	<u>2,662</u>
<u>Assets</u>				
Segment assets	88,449	34,154	(33,977)	88,626
Additional to non-current assets other than deferred tax assets	3,089	997	-	4,086
Tax recoverable	184	1	-	185
	<u>91,722</u>	<u>35,152</u>	<u>(33,977)</u>	<u>92,897</u>
<u>Liabilities</u>				
Segment liabilities	11,890	26,634	(24,736)	13,788
Deferred tax liabilities	-	6	-	6
Tax payable	-	6	-	6
	<u>11,890</u>	<u>26,646</u>	<u>(24,736)</u>	<u>13,800</u>
Period Ended 30 September 2022				
<u>Revenue</u>				
External customers	66,079	-	-	66,079
<u>Results</u>				
Profit from operations	4,879	(98)	-	4,781
Finance income	436	-	-	436
Finance costs	(323)	-	-	(323)
Depreciation	(1,645)	(18)	(65)	(1,728)
Other non-cash items	(40)	(4)	-	(44)
Taxation	(142)	10	-	(132)
	<u>3,165</u>	<u>(110)</u>	<u>(65)</u>	<u>2,990</u>
<u>Assets</u>				
Segment assets	85,150	33,343	(33,384)	85,109
Additional to non-current assets other than deferred tax assets	2,483	732	-	3,215
Tax recoverable	-	7	-	7
	<u>87,633</u>	<u>34,082</u>	<u>(33,384)</u>	<u>88,331</u>
<u>Liabilities</u>				
Segment liabilities	11,339	25,259	(24,342)	12,257
Tax payable	22	-	-	22
	<u>11,361</u>	<u>25,259</u>	<u>(24,342)</u>	<u>12,279</u>

A10 Carrying Amount of Assets

The value of property, plant and equipment has been brought forward without amendment from the previous financial year ended 30 September 2022.

A11 Capital Commitments

There were no capital commitments as at the end of the reporting period.

A12 Related Party Transactions

The Group's recurrent related party transactions during the quarter and cumulative period-to-date ended 30 September 2023 are as follows:

	3 Months Ended 30-Sep-23 RM'000	Year-to-date ended 30-Sep-23 RM'000
Transactions with a company in which a major shareholder and Director has interests:		
Rental Income	(140)	(542)
Purchases of starch	9,584	43,763
Plantation cost charged by	970	970
	<u>10,414</u>	<u>44,191</u>

A13 Material Subsequent Events

There were no material events subsequent to the end of current financial quarter.

A14 Changes in the Composition of the Group

There were no other changes in the composition of the Group during the current financial period other than the recent Bursa announcements.

A15 Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets during the financial period under review.

A16 Profit Before Tax

The following items have been charged/(credited) in arriving at profit before tax:

	Current quarter Three Months Ended		Cumulative Quarter Twelve Months Ended	
	30-Sep-23 RM' 000	30-Sep-22 RM' 000	30-Sep-23 RM' 000	30-Sep-22 RM' 000
Interest income	(147)	(85)	(440)	(436)
Rental income	(140)	(129)	(542)	(522)
Gain on termination lease contract	-	-	-	(2)
Interest on lease liabilities	73	78	299	323
Depreciation	525	462	1,737	1,728
Provision of inventories written down	91	-	91	-
Inventories written off	-	270	-	270
Reversal of inventories written down	-	(228)	-	(228)
Gain on modification of lease contract	(141)	-	(141)	-
Gain on disposal of other investment	-	-	(480)	-
Realised foreign exchange gain	-	-	(*)	-
Waiver of liabilities	(24)	-	(24)	-

* Represents RM1

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia

B1 Review of Performance

	Individual Period		Changes	Cumulative Period		Changes
	Three Months 1-Jul-23 to 30-Sep-23 RM' 000	Three Months 1-Jul-22 to 30-Sep-22 RM' 000	%	Current Year To-date 1-Oct-22 to 30-Sep-23 RM' 000	Preceding Year Corresponding Period 1-Oct-21 to 30-Sep-22 RM' 000	%
Revenue	13,587	17,842	(23.85)	58,508	66,079	(11.46)
Gross profit	1,579	1,065	48.26	4,143	4,171	(0.67)
Profit Before Interest and Tax	573	547	4.75	2,838	3,445	(17.62)
Profit Before Tax	500	469	6.61	2,539	3,122	(18.67)
Profit After Tax	683	459	48.80	2,662	2,990	(10.97)

The Group's revenue for current quarter ended 30 September 2023 is decreasing from RM17.842 million to RM13.587 million as compared to previous corresponding quarter. The decrease was mainly attributable to softening market demand, so lower sales recorded in the flour milling and trading segment.

For current quarter ended 30 September 2023, the Group's gross profit was increased from RM1.065 million to RM1.579 million, which represent 48.26% as compared to previous year's corresponding quarter. This is mainly due to stabilisation of the commodity price.

B2 Material Changes in the Quarterly Results as compared to Results of the Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Changes %
	1-Jul-23 to 30-Sep-23 RM' 000	1-Apr-23 to 30-Jun-23 RM' 000	
	Revenue	13,587	
Gross profit	1,579	1,319	19.71
Profit Before Interest and Tax	573	976	(41.29)
Profit Before Tax	500	902	(44.57)
Profit After Tax	683	882	(22.56)

The Group's maintained its revenue in current quarter as compared with immediate preceding quarter, which represent RM13.587 million and RM13.919 million respectively.

The Group recorded gross profit of RM 1.579 million in the current quarter as compared to gross profit of RM 1.319 million in the immediate preceding quarter. The higher gross profit is attributable to stabilisation of the commodity price.

B3 Prospect

The Group endeavours to seek the opportunities to expand its business in the near future.

B4 Profit Forecast

There were no profit forecast nor profit guarantee made during the financial period under review.

B5 Taxation

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Twelve Months Ended	
	30.09.23	30.09.22	30.09.23	30.09.22
	RM'000	RM'000	RM'000	RM'000
Current tax	189	(10)	129	(132)
Deferred tax	(6)	-	(6)	-
Total tax expenses	183	(10)	123	(132)

B6 Profit / (Loss) on Sales of Unquoted Investments and/or Properties

There were no sales of unquoted investments and properties during the quarter under review.

B7 Quoted Securities

For the period under review, the Group does not hold any quoted securities.

B8 Corporate Exercise

There were no corporate proposals for current quarter.

B9 Group Borrowings and Debt Securities

During the quarter under review, the Group has no borrowings.

B10 Off Balance Sheet Financial Instruments

The Group does not have any financial instrument with off balance sheet risks as at 30 November 2023 the latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report.

B11 Changes in Material Litigation

There were no material litigation during the financial period under review.

B12 Dividend Declared

No dividend has been declared for the financial period under review.

B13 Profit Per Share**(a) Basic**

Basic profit per share are calculated by dividing the net earnings for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issued during the period.

	Current Quarter		Cumulative Quarter	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
Net profit attributable to equity holders of the Company (RM' 000)	683	459	2,662	2,990
Weighted average number of ordinary shares in issue ('000)	1,019,311	1,018,975	1,019,311	1,018,975
Basic profit per share (sen)	0.07	0.05	0.26	0.29

(b) Diluted

Net profit attributable to equity holders of the Company (RM' 000)	683	459	2,662	2,990
Weighted average number of ordinary shares in issue ('000)	1,183,387	1,127,951	1,125,795	1,148,678
Diluted profit per share (sen)	0.06	0.04	0.24	0.26