

Interim report on unaudited consolidated results for the financial period ended 30 June 2024

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	Current Quarter			Cumulative Quarter		
	30-Jun-24	30-Jun-23	Changes	30-Jun-24	30-Jun-23	Changes
	RM' 000	RM' 000	%	RM' 000	RM' 000	%
Revenue	13,386	13,919	-3.83%	36,920	44,921	-17.81%
Cost of sales	<u>(12,812)</u>	<u>(12,975)</u>		<u>(35,382)</u>	<u>(42,357)</u>	
Gross profit	574	944	-39.19%	1,538	2,564	-40.02%
Other income	198	642		547	927	
Administrative expenses	(529)	(700)		(2,210)	(1,425)	
Selling and marketing expenses	(19)	(26)		(80)	(96)	
Operating (loss)/profit	<u>224</u>	<u>860</u>		<u>(205)</u>	<u>1,970</u>	
Finance costs	(68)	(74)		(208)	(226)	
Finance income	99	116		436	295	
Profit before tax	<u>255</u>	<u>902</u>	-71.73%	<u>23</u>	<u>2,039</u>	-98.87%
Tax expense	<u>6</u>	<u>(20)</u>		<u>18</u>	<u>(60)</u>	
Profit after tax representing total comprehensive income for the period	<u><u>261</u></u>	<u><u>882</u></u>	-70.41%	<u><u>41</u></u>	<u><u>1,979</u></u>	-97.93%
Attributable to:						
Equity holders of the Company	261	882	-70.41%	41	1,979	-97.93%
Non-controlling interests	-	-		-	-	
	<u><u>261</u></u>	<u><u>882</u></u>	-70.41%	<u><u>41</u></u>	<u><u>1,979</u></u>	-97.93%
Profit per share (sen)						
- basic	0.03	0.09		0.00	0.19	
- diluted	0.02	0.08		0.00	0.18	

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	As at 30-Jun-24 RM' 000 (Unaudited)	As at 30-Sep-23 RM' 000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	54,865	56,180
Other investments	-	-
	<u>54,865</u>	<u>56,180</u>
Current assets		
Inventories	447	836
Trade receivables	6,870	6,357
Other receivables	10,488	10,087
Tax recoverable	202	185
Cash and bank balances	16,772	16,810
Fixed deposits with licensed banks	10,316	10,112
	<u>45,095</u>	<u>44,387</u>
TOTAL ASSETS	<u><u>99,960</u></u>	<u><u>100,567</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	89,587	89,207
Warrant reserves	8,511	8,595
Accumulated losses	(18,665)	(18,706)
	<u>79,433</u>	<u>79,096</u>
Non-controlling interests	-	-
TOTAL EQUITY	<u><u>79,433</u></u>	<u><u>79,096</u></u>
Non-current liability		
Lease liabilities	6,997	7,584
Deferred tax liabilities	7,659	7,677
	<u>14,656</u>	<u>15,261</u>
Current liabilities		
Trade payables	3,465	3,662
Other payables	850	920
Lease liabilities	772	731
Borrowings	300	-
Contract liabilities	478	891
Tax payable	6	6
	<u>5,871</u>	<u>6,210</u>
TOTAL LIABILITIES	<u><u>20,527</u></u>	<u><u>21,471</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>99,960</u></u>	<u><u>100,567</u></u>
Net assets per share attributable to ordinary owners of the Company (RM)	<u>0.08</u>	<u>0.08</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 2023 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 JUNE 2024**

	← Attributable to Owners of the Company →					
	← Non-Distributable →					
	Share Capital RM' 000	Warrant Reserves RM' 000	Accumulated Losses RM' 000	Total RM' 000	Non- controlling Interests RM' 000	Total Equity RM' 000
Opening balance as at 1 October 2022, as restated	88,701	8,719	(21,368)	76,052	-	76,052
Transactions with owners:-						
Issuance of shares pursuant to warrants exercised	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>8,595</u>	<u>(18,706)</u>	<u>79,096</u>	<u>-</u>	<u>79,096</u>
Opening balance as at 1 October 2023	89,207	8,595	(18,706)	79,096	-	79,096
Transactions with owners:-						
Issuance of shares pursuant to warrants exercised	59	(14)	-	45	-	45
Total comprehensive income	-	-	41	41	-	41
Closing balance as at 30 June 2024	<u>89,266</u>	<u>8,581</u>	<u>(18,665)</u>	<u>79,182</u>	<u>-</u>	<u>79,182</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 2023 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	Nine Months Ended	
	30-Jun-24	30-Jun-23
	RM' 000	RM' 000
OPERATING ACTIVITIES		
Profit before tax for the period	23	2,039
Adjustments for:		
Depreciation	1,315	1,212
Gain on sale of investment	-	(480)
Realised foreign exchange gain	-	(*)
Interest income	(436)	(293)
Interest expense	208	226
Operating cash flows before working capital changes	1,110	2,704
<u>Changes in working capital</u>		
- contract liabilities	(413)	776
- trade and other receivables	(914)	311
- inventories	391	213
- trade and other payables	(270)	121
	(96)	4,125
Tax paid	(23)	(65)
Tax refund	6	-
Net cash flows from operating activities	(113)	4,060
INVESTING ACTIVITIES		
Net cash inflow from investment	-	480
Interest received	232	120
Net cash flows from investing activities	232	600
FINANCING ACTIVITIES		
Payment of lease liabilities	(546)	(488)
Interest paid	(208)	(226)
Drawdown of bankers' acceptance	300	-
Interest received	204	173
Placement of fixed deposit pledged to a licensed bank	-	(173)
Uplift of fixed deposits pledged with a licensed bank	-	2,500
Conversion of warrants	296	-
Net cash flows (used in) / from financing activities	46	1,786
CASH AND CASH EQUIVALENTS		
Net changes	165	6,446
At beginning of period	18,828	10,573
At end of period	18,993	17,019

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

	As at	As at
	30-Jun-24	30-Jun-23
	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	10,316	10,046
Cash and bank balances	16,772	15,018
	27,088	25,064
Less: Fixed deposits pledged as security	(8,095)	(8,045)
	18,993	17,019

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 September 2023 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 2023. 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 2023.

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 2023, 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 October 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 2023 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 9-month period ended 30 June 2024, the Group has issued new ordinary shares as follows:-

	Issue Price	No. of Shares
Conversion of Warrants	RM0.10	2,576,900

As at 30 June 2024, the total number of outstanding warrants was 261,411,960.

Other than as disclosed above, there was no issuance, cancellation, repurchase, resale and repayment for 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 June 2024				
<u>Revenue</u>				
External customers	36,920	-	-	36,920
<u>Results</u>				
Profit/(loss) from operations	1,213	(103)	-	1,110
Finance income	436	-	-	436
Finance costs	(208)	-	-	(208)
Depreciation	(1,229)	(11)	(75)	(1,315)
Taxation	-	-	18	18
	213	(114)	(57)	41
<u>Assets</u>				
Segment assets	91,121	35,876	(27,239)	99,758
Tax recoverable	201	1	-	202
	91,322	35,877	(27,239)	99,960
<u>Liabilities</u>				
Segment liabilities	10,983	27,473	(25,594)	12,862
Deferred tax liabilities	-	6	7,653	7,659
Tax payable	-	6	-	6
	10,983	27,485	(17,941)	20,527
Period Ended 30 June 2023				
<u>Revenue</u>				
External customers	44,921	-	-	44,921
<u>Results</u>				
Profit/(loss) from operations	3,319	(135)	-	3,184
Finance income	293	-	-	293
Finance costs	(226)	-	-	(226)
Depreciation	(1,201)	(11)	-	(1,212)
Taxation	(60)	-	-	(60)
	2,125	(146)	-	1,979
<u>Assets</u>				
Segment assets	91,863	33,174	(34,264)	90,773
Tax recoverable	-	-	-	-
	91,863	33,174	(34,264)	90,773
<u>Liabilities</u>				
Segment liabilities	13,455	24,498	(25,286)	12,667
Tax payable	11	(1)	-	10
	13,466	24,497	(25,286)	12,677

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 2023.

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 June 2024 are as follows:

	3 Months Ended 30-Jun-24 RM'000	Year-to-date ended 30-Jun-24 RM'000
Transactions with a company in which a major shareholder and Director has interests:		
Rental Income	(144)	(433)
Purchases of starch	10,522	27,404
	<u>10,378</u>	<u>26,971</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 Nine Months Ended	
	30-Jun-24 RM' 000	30-Jun-23 RM' 000	30-Jun-24 RM' 000	30-Jun-23 RM' 000
Interest income	(99)	(116)	(436)	(295)
Rental income	(144)	(140)	(433)	(401)
Interest on lease liabilities	68	74	208	226
Depreciation	413	400	1,315	1,212
Gain on sale of investment	-	(480)	-	(480)
Realised foreign exchange gain	-	-	-	(*)

* Represents RM1

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

B1 Review of Performance

	Individual Period		Changes	Cumulative Period		Changes
			%			%
	Three Months	Three Months		Current Year To-date	Preceding Year Corresponding Period	
	1-Apr-24 to 30-Jun-24	1-Apr-23 to 30-Jun-23		1-Oct-23 to 30-Jun-24	1-Oct-22 to 30-Jun-23	
	RM' 000	RM' 000		RM' 000	RM' 000	
Revenue	13,386	13,919	(3.83)	36,920	44,921	(17.81)
Gross profit	574	944	(39.19)	1,538	2,564	(40.02)
Profit Before Interest and Tax	323	976	(66.91)	231	2,265	(89.80)
Profit Before Tax	255	902	(71.73)	23	2,039	(98.87)
Profit After Tax	261	882	(70.41)	41	1,979	(97.93)

The Group's revenue for current quarter ended 30 June 2024 is lower than previous corresponding quarter, which is RM13.386 million in current quarter compared with RM13.919 million in the previous corresponding quarter.

For current quarter ended 30 June 2024, the Group's gross profit was decreased from RM0.944 million to RM0.574 million compared with the previous year's corresponding quarter. The decrease of 39.19% in gross profit is mainly due to higher material costs.

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

	Current Quarter	Immediate Preceding Quarter	Changes %
	1-Apr-24 to 30-Jun-24	1-Jan-24 to 31-Mar-24	
	RM' 000	RM' 000	
Revenue	13,386	12,622	6.05
Gross profit	574	383	49.87
Profit / (Loss) Before Interest and Tax	323	(190)	(270.00)
Profit / (Loss) Before Tax	255	(259)	(198.46)
Profit / (Loss) After Tax	261	(253)	(203.16)

The Group's revenue increased by 6.05% from RM12.622 million in the immediate preceding quarter as compared to RM13.386 million in the current quarter. The revenue increased was mainly due to increase in sales volume.

The Group recorded gross profit of RM 0.574 million in the current quarter as compared to RM 0.383 million in the immediate preceding quarter. The increase of 49.87% in gross profit due to higher sales volume.

B3 Prospect

the Group will continue to expand into new customer bases and seek more opportunities for business growth in near future and effectively managing working capital.

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		Nine Months Ended	
	30.06.24	30.06.23	30.06.24	30.06.23
	RM'000	RM'000	RM'000	RM'000
Current tax	-	(20)	-	(60)
Deferred tax	6	-	18	-
Total tax expenses	6	(20)	18	(60)

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 29 August 2024 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	
	Three Months Ended	Three Months Ended	Nine Months Ended	Nine Months Ended
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Net profit attributable to equity holders of the Company (RM' 000)	261	882	41	1,979
Weighted average number of ordinary shares in issue ('000)	1,023,402	1,018,975	1,023,119	1,018,975
Basic profit per share (sen)	0.03	0.09	0.00	0.19

(b) Diluted

Net profit attributable to equity holders of the Company (RM' 000)	261	882	41	1,979
Weighted average number of ordinary shares in issue ('000)	1,161,162	1,072,408	1,167,038	1,088,486
Diluted profit per share (sen)	0.02	0.08	0.00	0.18