

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

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

	Current Quarter			Cumulative Quarter		
	30-Sep-24	30-Sep-23	Changes	30-Sep-24	30-Sep-23	Changes
	RM' 000	RM' 000	%	RM' 000	RM' 000	%
Revenue	13,780	13,587	1.42%	50,700	58,508	-13.35%
Cost of sales	<u>(13,382)</u>	<u>(12,008)</u>		<u>(48,764)</u>	<u>(54,365)</u>	
Gross profit	398	1,579	-74.79%	1,936	4,143	-53.27%
Other income	181	364		728	1,293	
Administrative expenses	(515)	(1,411)		(2,725)	(2,836)	
Selling and marketing expenses	(25)	(39)		(105)	(135)	
Other expenses	-	(91)		-	(91)	
Operating profit/(loss)	<u>39</u>	<u>402</u>		<u>(166)</u>	<u>2,374</u>	
Finance costs	(66)	(73)		(274)	(299)	
Finance income	147	147		583	440	
Profit before tax	<u>120</u>	<u>476</u>	-74.79%	<u>143</u>	<u>2,515</u>	-94.31%
Tax expense	<u>(7)</u>	<u>207</u>		<u>11</u>	<u>147</u>	
Profit after tax representing total comprehensive income for the period	<u>113</u>	<u>683</u>	-83.46%	<u>154</u>	<u>2,662</u>	-94.21%
Attributable to:						
Equity holders of the Company	113	683	-83.46%	154	2,662	-94.21%
Non-controlling interests	-	-		-	-	
	<u>113</u>	<u>683</u>	-83.46%	<u>154</u>	<u>2,662</u>	-94.21%
Profit per share (sen)						
- basic	0.01	0.07		0.02	0.26	
- diluted	0.01	0.06		0.01	0.24	

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 SEPTEMBER 2024**

	As at 30-Sep-24 RM' 000 (Unaudited)	As at 30-Sep-23 RM' 000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	55,118	56,180
Other investments	-*	-*
	<u>55,118</u>	<u>56,180</u>
Current assets		
Inventories	291	836
Trade receivables	6,411	6,357
Other receivables	16,703	10,087
Tax recoverable	202	185
Cash and bank balances	11,145	16,810
Fixed deposits with licensed banks	12,404	10,112
	<u>47,156</u>	<u>44,387</u>
TOTAL ASSETS	<u><u>102,274</u></u>	<u><u>100,567</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	90,889	89,207
Warrant reserves	8,182	8,595
Accumulated losses	(18,552)	(18,706)
	<u>80,519</u>	<u>79,096</u>
TOTAL EQUITY	<u><u>80,519</u></u>	<u><u>79,096</u></u>
Non-current liabilities		
Lease liabilities	6,793	7,584
Deferred tax liabilities	7,648	7,677
	<u>14,441</u>	<u>15,261</u>
Current liabilities		
Trade payables	4,779	3,662
Other payables	1,292	920
Lease liabilities	791	731
Contract liabilities	428	891
Tax payable	24	6
	<u>7,314</u>	<u>6,210</u>
TOTAL LIABILITIES	<u><u>21,755</u></u>	<u><u>21,471</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>102,274</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.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

← Attributable to Owners of the Company →
← Non-Distributable →

	Share Capital RM' 000	Warrant Reserves RM' 000	Accumulated Losses RM' 000	Total 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>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	1,682	(413)	-	1,269	1,269
Total comprehensive income	-	-	154	154	154
Closing balance as at 30 September 2024	<u>90,889</u>	<u>8,182</u>	<u>(18,552)</u>	<u>80,519</u>	<u>80,519</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 SEPTEMBER 2024**

	Twelve Months Ended	
	30-Sep-24	30-Sep-23
	RM' 000	RM' 000
OPERATING ACTIVITIES		
Profit before tax for the period	143	2,515
Adjustments for:		
Depreciation	1,750	1,761
Gain on disposal of other investment	-	(480)
Gain on modification of lease contract	-	(141)
Waiver of liabilities	-	(24)
Provision for slow moving inventories	-	91
Interest income	(583)	(440)
Interest expense	274	299
Operating cash flows before working capital changes	1,584	3,581
<u>Changes in working capital</u>		
- contract liabilities	(463)	(524)
- trade and other receivables	(6,670)	658
- inventories	545	553
- trade and other payables	1,489	2,457
	<u>(3,515)</u>	<u>6,725</u>
Tax paid	(17)	(71)
Tax refund	-	6
Interest received	292	201
Net cash flows (used in) / from operating activities	<u>(3,240)</u>	<u>6,861</u>
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(688)	(997)
Net cash inflow from investment	-	480
Interest received	291	239
Net cash flows used in investing activities	<u>(397)</u>	<u>(278)</u>
FINANCING ACTIVITIES		
Repayment of lease liabilities	(731)	(688)
Interest paid	(274)	(299)
(Placement) / Uplift of fixed deposits pledged with a licensed bank	(204)	2,277
Issuance of shares pursuant to warrant exercised	1,269	382
Net cash flows from financing activities	<u>60</u>	<u>1,672</u>
CASH AND CASH EQUIVALENTS		
Net changes	(3,577)	8,255
At beginning of period	18,828	10,573
At end of period	<u>15,251</u>	<u>18,828</u>

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

	As at	As at
	30-Sep-24	30-Sep-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	12,404	10,112
Cash and bank balances	11,145	16,810
	<u>23,549</u>	<u>26,922</u>
Less: Fixed deposits pledged as security	(8,298)	(8,094)
	<u>15,251</u>	<u>18,828</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 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 12-month period ended 30 September 2024, the Group has issued new ordinary shares as follows:-

	Issue Price	No. of Shares
Conversion of Warrants	RM0.10	12,687,800

As at 30 September 2024, the total number of outstanding warrants was 251,301,060.

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 September 2024				
<u>Revenue</u>				
External customers	50,318	382	-	50,700
<u>Results</u>				
Profit/(loss) from operations	1,711	(127)	-	1,584
Finance income	583	-	-	583
Finance costs	(274)	-	-	(274)
Depreciation	(1,636)	(15)	(99)	(1,750)
Taxation	(13)	-	24	11
	371	(142)	(75)	154
<u>Assets</u>				
Segment assets	93,787	49,018	(41,421)	101,384
Additional to non current assests other than deferred tax assets	-	688	-	688
Tax recoverable	201	1	-	202
	93,988	49,707	(41,421)	102,274
<u>Liabilities</u>				
Segment liabilities	12,503	41,331	(39,751)	14,083
Deferred tax liabilities	-	1	7,647	7,648
Tax payable	13	11	-	24
	12,516	41,343	(32,104)	21,755
Period Ended 30 September 2023				
<u>Revenue</u>				
External customers	58,508	-	-	58,508
<u>Results</u>				
Profit/(loss) from operations	3,894	(314)	-	3,580
Finance income	440	-	-	440
Finance costs	(299)	-	-	(299)
Depreciation	(1,647)	(15)	(99)	(1,761)
Other non-cash items	654	25	(124)	555
Taxation	135	(12)	24	147
	3,177	(316)	(199)	2,662
<u>Assets</u>				
Segment assets	88,448	34,154	(26,306)	96,296
Additional to non current assests other than deferred tax assets	3,089	997	-	4,086
Tax recoverable	184	1	-	185
	91,721	35,152	(26,306)	100,567
<u>Liabilities</u>				
Segment liabilities	11,890	26,634	(24,736)	13,788
Deferred tax liabilities	-	6	7,671	7,677
Tax payable	-	6	-	6
	11,890	26,646	(17,065)	21,471

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 September 2024 are as follows:

	3 Months Ended 30-Sep-24 RM'000	Year-to-date ended 30-Sep-24 RM'000
Transactions with a company in which a major shareholder and Director has interests:		
Rental Income	(144)	(577)
Purchases of starch	10,842	38,245
Plantation cost charged by	311	311
	<u>11,009</u>	<u>37,979</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-24 RM' 000	30-Sep-23 RM' 000	30-Sep-24 RM' 000	30-Sep-23 RM' 000
Interest income	(147)	(147)	(583)	(440)
Rental income	(144)	(140)	(577)	(542)
Interest on lease liabilities	66	73	274	299
Depreciation	435	525	1,750	1,761
Provision of slow moving inventories	-	91	-	91
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 Securities

B1 Review of Performance

	Individual Period		Changes	Cumulative Period		Changes
			%			%
	Three Months	Three Months		Current Year To-date	Preceding Year Corresponding Period	
	1-Jul-24 to 30-Sep-24	1-Jul-23 to 30-Sep-23		1-Oct-23 to 30-Sep-24	1-Oct-22 to 30-Sep-23	
	RM' 000	RM' 000		RM' 000	RM' 000	
Revenue	13,780	13,587	1.42	50,700	58,508	(13.35)
Gross profit	398	1,579	(74.79)	1,936	4,143	(53.27)
Profit Before Interest and Tax	186	549	(66.12)	417	2,814	(85.18)
Profit Before Tax	120	476	(74.79)	143	2,515	(94.31)
Profit After Tax	113	683	(83.46)	154	2,662	(94.21)

The Group's revenue for current quarter ended 30 September 2024 maintained if compare with previous year's corresponding quarter, which is RM13.780 million in current quarter compared with RM13.587 million in the previous year's corresponding quarter.

For current quarter ended 30 September 2024, the Group's gross profit was decreased from RM1.579 million to RM0.398 million compared with the previous year's corresponding quarter. The decrease of 74.79% 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-Jul-24 to 30-Sep-24	1-Apr-24 to 30-Jun-24	
	RM' 000	RM' 000	
Revenue	13,780	13,386	2.94
Gross profit	398	574	(30.66)
Profit Before Interest and Tax	186	323	(42.41)
Profit Before Tax	120	255	(52.94)
Profit After Tax	113	261	(56.70)

The Group's revenue maintained RM13.386 million in the immediate preceding quarter as compared with RM13.780 million in the current quarter.

The Group recorded gross profit of RM 0.398 million in the current quarter as compared to RM 0.574 million in the immediate preceding quarter. The gross profit decrease is due to high material cost.

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 Tax expenses

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Twelve Months Ended	
	30.09.24	30.09.23	30.09.24	30.09.23
	RM'000	RM'000	RM'000	RM'000
Current tax	18	(189)	18	(129)
Deferred tax	(11)	(18)	(29)	(18)
Total tax expenses	7	(207)	(11)	(147)

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 November 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 30-Sep-24	30-Sep-23	Twelve Months Ended 30-Sep-24	30-Sep-23
Net profit attributable to equity holders of the Company (RM' 000)	113	683	154	2,662
Weighted average number of ordinary shares in issue ('000)	1,030,369	1,019,311	1,024,943	1,019,311
Basic profit per share (sen)	0.01	0.07	0.02	0.26

(b) Diluted

Net profit attributable to equity holders of the Company (RM' 000)	113	683	154	2,662
Weighted average number of ordinary shares in issue ('000)	1,165,057	1,183,387	1,163,709	1,125,795
Diluted profit per share (sen)	0.01	0.06	0.01	0.24