

**COMPANY ANNOUNCEMENT****UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**

The Board of Directors of Advance Synergy Berhad wishes to announce the unaudited financial results of the Group for the quarter and period ended 31 March 2022.

This interim report is prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting” and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2021.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

	<u>3 months ended</u>		<u>Year-to-date</u>	
	<u>31.3.2022</u>	<u>31.3.2021</u>	<u>31.3.2022</u>	<u>31.3.2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	38,959	23,714	38,959	23,714
Cost of sales	(27,200)	(13,946)	(27,200)	(13,946)
Gross profit	11,759	9,768	11,759	9,768
Other operating income	1,758	2,657	1,758	2,657
Operating expenses	(17,969)	(18,889)	(17,969)	(18,889)
Profit/(Loss) from operations	(4,452)	(6,464)	(4,452)	(6,464)
Finance costs	(1,765)	(1,548)	(1,765)	(1,548)
Share of results of associates and joint venture	1	20	1	20
Profit/(Loss) before tax	(6,216)	(7,992)	(6,216)	(7,992)
Income tax expense	(367)	(562)	(367)	(562)
Net profit/(loss) for the financial period	(6,583)	(8,554)	(6,583)	(8,554)
Attributable to:				
Owners of the parent	(6,940)	(8,596)	(6,940)	(8,596)
Non-controlling interests	357	42	357	42
	(6,583)	(8,554)	(6,583)	(8,554)
Loss per share attributable to owners of the parent:				
Basic (sen)	(0.75)	(0.93)	(0.75)	(0.93)
Diluted (sen)	(0.75)	(0.93)	(0.75)	(0.93)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<u>3 months ended</u>		<u>Year-to-date</u>	
	<u>31.3.2022</u>	<u>31.3.2021</u>	<u>31.3.2022</u>	<u>31.3.2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Net profit/(loss) for the financial period	(6,583)	(8,554)	(6,583)	(8,554)
Other comprehensive income/(expenses):				
<i>Items that may be reclassified</i>				
<i>subsequently to profit or loss:</i>				
Foreign currency translation differences				
for foreign operations	<u>(584)</u>	<u>(3,418)</u>	<u>(584)</u>	<u>(3,418)</u>
<i>Total items that may be reclassified</i>				
<i>subsequently to profit or loss</i>	<u>(584)</u>	<u>(3,418)</u>	<u>(584)</u>	<u>(3,418)</u>
<i>Items that will not be reclassified</i>				
<i>subsequently to profit or loss:</i>				
Fair value through other comprehensive				
income financial assets	<u>1,688</u>	<u>522</u>	<u>1,688</u>	<u>522</u>
<i>Total items that will not be reclassified</i>				
<i>subsequently to profit or loss</i>	<u>1,688</u>	<u>522</u>	<u>1,688</u>	<u>522</u>
Other comprehensive income/(loss) for the				
financial period	<u>1,104</u>	<u>(2,896)</u>	<u>1,104</u>	<u>(2,896)</u>
Total comprehensive income/(loss) for the				
financial period	<u>(5,479)</u>	<u>(11,450)</u>	<u>(5,479)</u>	<u>(11,450)</u>
Attributable to:				
Owners of the parent	<u>(5,640)</u>	<u>(11,888)</u>	<u>(5,640)</u>	<u>(11,888)</u>
Non-controlling interests	<u>161</u>	<u>438</u>	<u>161</u>	<u>438</u>
Total comprehensive income/(loss) for the				
financial period	<u>(5,479)</u>	<u>(11,450)</u>	<u>(5,479)</u>	<u>(11,450)</u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<b>Unaudited as at 31.3.2022 RM'000</b>	<b>Audited as at 31.12.2021 RM'000</b>
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	247,004	243,305
Right-of-use assets	39,842	41,416
Investment properties	18,630	18,630
Investment in associates and joint venture	3,859	3,858
Investment securities	104,385	106,306
Goodwill	87,619	87,619
Intangible assets	2,376	2,330
Deferred tax assets	5,188	5,189
Inventories	4,635	4,634
	513,538	513,287
<b><u>Current assets</u></b>		
Inventories	37,483	37,295
Receivables, prepayments and contract assets	94,231	89,210
Current tax assets	2,593	2,662
Investment securities	3,117	4,189
Financial assets held for trading	4	-
Short term deposits	51,983	59,408
Cash and bank balances	63,845	67,285
	253,256	260,049
<b>TOTAL ASSETS</b>	766,794	773,336
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity attributable to owners of the Company</u></b>		
Share capital	381,377	381,377
Reserves	66,332	71,972
	447,709	453,349
Non-controlling interests	83,998	83,837
<b>Total equity</b>	531,707	537,186
<b><u>Non-current liabilities</u></b>		
Borrowings	65,936	61,631
Lease liabilities	44,032	45,069
Payables	8,725	8,945
Deferred tax liabilities	4,358	4,358
Provision for retirement benefit obligations	1,406	1,413
	124,457	121,416
<b><u>Current liabilities</u></b>		
Payables and contract liabilities	59,785	62,260
Borrowings	42,881	43,719
Lease liabilities	6,638	7,058
Current tax liabilities	1,326	1,697
	110,630	114,734
<b>Total Liabilities</b>	235,087	236,150
<b>TOTAL EQUITY AND LIABILITIES</b>	766,794	773,336

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE PERIOD ENDED 31 MARCH 2022**

	<b>Share Capital RM'000</b>	<b>Revaluation Reserve RM'000</b>	<b>Foreign Currency Translation Reserve RM'000</b>	<b>Fair Value Reserve RM'000</b>	<b>Retained Profits RM'000</b>	<b>Total RM'000</b>	<b>Non- Controlling Interests RM'000</b>	<b>Total Equity RM'000</b>
Balance as at 1 January 2022	381,377	17,164	11,894	(712)	43,626	453,349	83,837	537,186
Net profit/(loss) for the financial period	-	-	-	-	(6,940)	(6,940)	357	(6,583)
Fair value of financial assets through other comprehensive income	-	-	-	1,688	-	1,688	-	1,688
Foreign currency translation differences for foreign operations	-	-	(388)	-	-	(388)	(196)	(584)
Total comprehensive income/(loss) the financial period	-	-	(388)	1,688	(6,940)	(5,640)	161	(5,479)
Balance as at 31 March 2022	381,377	17,164	11,506	976	36,686	447,709	83,998	531,707

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE PERIOD ENDED 31 MARCH 2022 (Continued)**

	<b>Share Capital RM'000</b>	<b>Revaluation Reserve RM'000</b>	<b>Foreign Currency Translation Reserve RM'000</b>	<b>Fair Value Reserve RM'000</b>	<b>Retained Profits RM'000</b>	<b>Total RM'000</b>	<b>Non- Controlling Interests RM'000</b>	<b>Total Equity RM'000</b>
Balance as at 1 January 2021	381,377	15,614	12,766	(3,537)	46,498	452,718	70,266	522,984
Net profit/(loss) for the financial period	-	-	-	-	(8,596)	(8,596)	42	(8,554)
Fair value of financial assets through other comprehensive income	-	-	-	522	-	522	-	522
Foreign currency translation differences for foreign operations	-	-	(3,814)	-	-	(3,814)	396	(3,418)
Total comprehensive income/(loss) the financial period	-	-	(3,814)	522	(8,596)	(11,888)	438	(11,450)
<b>Transactions with owners</b>								
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(490)	(490)
	-	-	-	-	-	-	(490)	(490)
Balance as at 31 March 2021	381,377	15,614	8,952	(3,015)	37,902	440,830	70,214	511,044

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2022**

	<b>3 months ended</b> <b><u>31.3.2022</u></b> <b>RM'000</b>	<b>3 months ended</b> <b><u>31.3.2021</u></b> <b>RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(6,216)	(7,992)
Adjustments for:-		
Non-cash items	3,849	4,098
Other investing and financing items	1,432	1,195
	<hr/>	<hr/>
Operating loss before working capital changes	(935)	(2,699)
Changes in working capital		
Inventories	(188)	315
Receivables	(5,211)	(1,064)
Financial assets held for trading	(4)	2
Payables	(2,702)	2,990
	<hr/>	<hr/>
Net cash used in operations	(9,040)	(456)
Retirement benefits paid	(31)	-
Net tax paid	(669)	(1,642)
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	<b>(9,740)</b>	<b>(2,098)</b>
<b>Cash flows from investing activities</b>		
Acquisition of quoted investment securities	(150)	(1,325)
Acquisition of unquoted investment securities	-	(618)
Addition of intangible assets	(280)	(217)
Addition of investment properties	-	(1,398)
Interest received	326	344
Dividend received	6	9
Proceeds from disposal of quoted investment securities	603	60
Proceeds from disposal of unquoted investment securities	4,722	1,287
Proceeds from disposal of hotel management services	200	-
Purchase of property, plant and equipment	(7,035)	(1,244)
(Placement)/Withdrawal of pledged deposits	(41)	40
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(1,649)</b>	<b>(3,062)</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2022 (Continued)**

	<b>3 months ended <u>31.3.2022</u> RM'000</b>	<b>3 months ended <u>31.3.2021</u> RM'000</b>
<b>Cash flows from financing activities</b>		
Dividend paid to non-controlling interests of a subsidiary	-	(490)
Drawdown of borrowings	5,674	36,908
Interest paid	(1,765)	(1,548)
Repayment of borrowings	(1,360)	(1,367)
Repayment of lease liabilities	(1,796)	(953)
<b>Net generated from financing activities</b>	<u>753</u>	<u>32,550</u>
Effect of exchange rate changes	(231)	(2,227)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(10,867)	25,163
<b>Cash and cash equivalents as at beginning of the financial period</b>		
As previously reported	96,472	86,959
Effect of exchange rate changes	199	377
As restated	<u>96,671</u>	<u>87,336</u>
<b>Cash and cash equivalents as at end of the financial period #</b>	<u>85,804</u>	<u>112,499</u>
<b># Cash and cash equivalents at the end of the financial period comprising the following:</b>		
Short term deposits	51,983	79,791
Cash and bank balances	63,845	66,588
Bank overdrafts	-	(216)
	<u>115,828</u>	<u>146,163</u>
Less: Deposits placed with lease payables as security deposit for lease payments	(10,339)	(13,488)
Cash held under Housing Development Accounts	(677)	(665)
Deposits pledged to licensed banks	(19,008)	(19,511)
	<u>(30,024)</u>	<u>(33,664)</u>
	<u>85,804</u>	<u>112,499</u>

## NOTES TO THE INTERIM FINANCIAL REPORT

### 1. Basis of preparation

The unaudited interim financial report has been prepared in compliance with MFRS 134 – “Interim Financial Reporting” and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021.

### 2. Significant accounting policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2021, except for the adoption of the following Amendments/Improvements to Malaysian Financial Reporting Standard (“MFRS”):

#### Amendments/ Improvements to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

The adoption of the above Amendments/Improvements to MFRSs will have no significant impact on the financial statements of the Group upon their initial application.

#### **New MFRS and Amendments/Improvements to MFRSs issued but not yet effective**

The following new MFRS and Amendments/Improvements to MFRSs that are issued but are not yet effective, have yet to be adopted by the Group:

		<b>Effective for financial periods beginning on or after</b>
<u>New MFRS</u>		
MFRS 17	Insurance Contracts	1 January 2023

#### Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023 <sup>#</sup>
MFRS 3	Business Combinations	1 January 2023 <sup>#</sup>
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 <sup>#</sup>
MFRS 7	Financial Instruments: Disclosures	1 January 2023 <sup>#</sup>



## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 2. Significant accounting policies (Continued)

#### New MFRS and Amendments/Improvements to MFRSs issued but not yet effective (Continued)

<u>Amendments/Improvements to MFRSs (Continued)</u>		Effective for financial periods beginning on or after
MFRS 9	Financial Instruments	1 January 2023 <sup>#</sup>
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 <sup>#</sup>
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 <sup>#</sup>
MFRS 107	Statement of Cash Flows	1 January 2023 <sup>#</sup>
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2023 <sup>#</sup>
MFRS 119	Employee Benefits	1 January 2023 <sup>#</sup>
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 <sup>#</sup>
MFRS 132	Financial Instruments: Presentation	1 January 2023 <sup>#</sup>
MFRS 136	Impairment of Assets	1 January 2023 <sup>#</sup>
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023 <sup>#</sup>
MFRS 138	Intangible Assets	1 January 2023 <sup>#</sup>
MFRS 140	Investment Property	1 January 2023 <sup>#</sup>

<sup>#</sup> Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

### 3. Audit Report

The auditors' report on the financial statements for the financial year ended 31 December 2021 was not subject to any qualification.

### 4. Seasonal or cyclical factors

The operations of the Group for the financial quarter ended 31 March 2022 were not materially affected by any seasonal or cyclical factors.

## **NOTES TO THE INTERIM FINANCIAL REPORT (Continued)**

### **5. Unusual items**

There were no unusual significant items during the quarter under review.

### **6. Changes in estimates**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the quarter under review.

### **7. Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and/or repayments of debt and equity securities during the financial period ended 31 March 2022.

### **8. Dividends paid**

There was no dividend paid during the financial period ended 31 March 2022.

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

9. Segmental Information

For the financial period ended 31 March 2022

	Investment Holding	Information & Communications Technology	Property Development & Investment	Travel & Tours	Financial Services	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>								
External	64	16,602	5,039	13,898	731	2,625	-	38,959
Inter-segment	705	-	416	-	-	-	(1,121)	-
<b>Total revenue</b>	<b>769</b>	<b>16,602</b>	<b>5,455</b>	<b>13,898</b>	<b>731</b>	<b>2,625</b>	<b>(1,121)</b>	<b>38,959</b>
<b>Results</b>								
Segment results	(2,775)	1,993	(3,465)	271	(1,278)	(963)	-	(6,217)
Share of results of associates and joint venture	2	-	(1)	-	-	-	-	1
Profit/(Loss) before tax	(2,773)	1,993	(3,466)	271	(1,278)	(963)	-	(6,216)
Income tax expense								(367)
Net profit/(loss) for the financial period								(6,583)
Non-controlling interests								(357)
Net profit/(loss) for the financial period attributable to owners of the parent								(6,940)

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

9. Segmental Information (Continued)

For the financial period ended 31 March 2022 (Continued)

	Investment Holding	Information & Communications Technology	Property Development & Investment	Travel & Tours	Financial Services	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Other information</u></b>								
Segment assets	64,009	233,018	399,758	13,110	17,855	27,403	-	755,153
Investment in associates and joint venture	3,752	-	107	-	-	-	-	3,859
Unallocated corporate assets								7,782
Total assets								766,794
Segment liabilities	4,631	17,905	189,180	4,280	6,315	7,091	-	229,402
Unallocated corporate liabilities								5,685
Total liabilities								235,087
Capital expenditure:								
- Property, plant & equipment	-	112	6,902	-	-	21	-	7,035
- Software development expenditure	-	280	-	-	-	-	-	280

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

9. Segmental Information (Continued)

For the financial period ended 31 March 2021

	Investment Holding	Information & Communications Technology	Property Development & Investment	Travel & Tours	Financial Services	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>								
External	66	16,410	4,341	2,332	519	46	-	23,714
Inter-segment	60	-	424	-	-	-	(484)	-
<b>Total revenue</b>	126	16,410	4,765	2,332	519	46	(484)	23,714
<b>Results</b>								
Segment results	(2,053)	2,891	(5,636)	(391)	(1,107)	(1,716)	-	(8,012)
Share of results of associates and joint venture	24	-	(4)	-	-	-	-	20
Profit/(Loss) before tax	(2,029)	2,891	(5,640)	(391)	(1,107)	(1,716)	-	(7,992)
Income tax expense								(562)
Net profit/(loss) for the financial period								(8,554)
Non-controlling interests								(42)
Net profit/(loss) for the financial period attributable to owners of the parent								(8,596)

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

9. Segmental Information (Continued)

For the financial period ended 31 March 2021 (Continued)

	Investment Holding	Information & Communications Technology	Property Development & Investment	Travel & Tours	Financial Services	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Other information</u></b>								
Segment assets	59,316	186,300	413,841	17,631	24,036	19,587	-	720,711
Investment in associates and joint venture	12,664	-	114	-	-	-	-	12,778
Unallocated corporate assets								8,411
Total assets								741,900
Segment liabilities	1,587	16,924	176,989	5,312	10,520	10,372	-	221,704
Unallocated corporate liabilities								9,152
Total liabilities								230,856
Capital expenditure:								
- Property, plant & equipment	-	101	658	-	401	84	-	1,244
- Software development expenditure	-	214	-	-	-	3	-	217

## **NOTES TO THE INTERIM FINANCIAL REPORT (Continued)**

### **10. Property, plant and equipment**

The valuation of land and buildings had been brought forward without amendment from the financial statements for the financial year ended 31 December 2021.

### **11. Significant events after the reporting period**

There are no significant events after the reporting period.

### **12. Changes in the composition of the Group**

There were no changes in the composition of the Group during the financial period ended 31 March 2022 except as disclosed below:

- (a) On 13 January 2022, Jiwa Baru Sdn Bhd (“JBSB”) was incorporated with an issued share capital of RM100. JBSB is 60%-owned by Advance Synergy Realty Sdn Bhd, a direct wholly-owned subsidiary of the Company.
- (b) On 18 January 2022, the deregistration notice for Builderworks Pty Ltd and Home Cinema Studio Pty Ltd, both dormant indirect wholly-owned subsidiaries of the Company registered in Australia, was published by Australian Securities and Investments Commission (“ASIC”). Builderworks Pty Ltd was deregistered on 5 March 2022. ASIC has yet to notify Home Cinema Studio Pty Ltd on the deregistration.

### **13. Changes in contingent liabilities**

There are no changes in contingent liabilities since the last annual statements of financial position as at 31 December 2021.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 14. Review of performance

	<u>Year-to-date</u> <u>3 months ended</u>		<u>Changes</u>	
	<u>31.3.2022</u> <u>RM'000</u>	<u>31.3.2021</u> <u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	38,959	23,714	15,245	64.3
Profit/(Loss) from operations	(4,452)	(6,464)	2,012	31.1
Profit/(Loss) before tax	(6,216)	(7,992)	1,776	22.2
Net profit/(loss) for the financial period	(6,583)	(8,554)	1,971	23.0
Net profit/(loss) for the financial period attributable to the Owners of the Parent	<u>(6,940)</u>	<u>(8,596)</u>	1,656	19.3

#### *Overall performance*

For the current quarter ended 31 March 2022 (“Q1 2022”), with the relaxation of movement control order (“MCO”) restrictions, the Group recorded higher revenue of RM39.0 million compared to RM23.7 million in the corresponding period last year ended 31 March 2021 (“Q1 2021”). All divisions reported higher revenue in Q1 2022 compared to Q1 2021.

The Group recorded lower other operating income for Q1 2022 compared to Q1 2021 mainly attributable to lower fair value gain assessed on the venture investment portfolio of RM0.4 million in Q1 2022 compared to RM1.3 million in Q1 2021.

Operating expenses reduced by approximately RM0.9 million from RM18.9 million in Q1 2022 to RM18.0 million in Q1 2022 mainly due to lower other operating expenses incurred in Q1 2022.

With the higher revenue and lower operating expenses, partly offset by lower other operating income and higher finance cost, the Group recorded lower loss before tax of RM6.2 million in Q1 2022 compared to loss before tax of RM8.0 million in Q1 2021, an improvement of RM1.8 million.

#### *Investment Holding*

In Q1 2022, the division recorded higher revenue of RM0.8 million compared to the revenue of RM0.1 million in Q1 2021. The higher revenue was mainly attributable to higher intercompany shared costs charged which had no impact to the Group’s revenue. The division reported higher loss before tax of RM2.8 million in Q1 2022 compared to loss of RM2.0 million in Q1 2021 mainly due to lower fair value gain assessed on the venture investment portfolio investment securities, a nominal amount recorded in Q1 2022 as opposed to the fair value gain of RM1.0 million in Q1 2021.



## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 14. Review of performance (Continued)

#### *Information & Communications Technology*

The division recorded comparable revenue of Singapore Dollars (“SGD”) 5.34 million in Q1 2022 compared to SGD5.36 million in Q1 2021, a slight decrease in revenue of approximately 0.3%. The decrease in revenue was mainly attributable to lower revenue recorded by GlobeOSS business unit (“BU”) mitigated by the improvement in revenue recorded by Unifiedcomms BU. However, with the higher SGD currency exchange rate against RM in Q1 2022 compared to Q1 2021, the translation of revenue into the reporting currency in RM has resulted in higher revenue of RM16.6 million in Q1 2022 compared to RM16.4 million in Q1 2021.

The division recorded lower profit before tax of RM2.0 million in Q1 2022 compared to RM2.9 million in Q1 2021 mainly due to the flow-down effects of the lower gross profit margin and higher net total expenses recorded in Q1 2022. The decrease in gross profit margin from 45.3% in Q1 2021 to 42.8% in Q1 2022 was mainly attributable to higher third-party costs on certain managed service contracts in the period under review. The higher net total expenses was mainly due to the absence of net foreign exchange gain such as that recorded in Q1 2021 arising from the favourable exchange rate movement of USD against SGD.

#### *Property Development & Investment*

The division recorded revenue of RM5.5 million in Q1 2022, higher compared to the revenue of RM4.8 million recorded in Q1 2021 mainly contributed by higher revenue from the property investment unit. Overall, the division recorded lower loss before tax of RM3.5 million in Q1 2022 compared to loss of RM5.6 million in Q1 2021.

#### Development

During the quarter under review, the property development unit, Advance Synergy Realty Sdn Bhd (“ASR”), recorded no revenue for Q1 2022 compared to RM1.3 million in Q1 2021 as all units of Taman Sri Matang project were sold in 2021. This has resulted in higher loss before tax of RM0.3 million in Q1 2022 compared to loss of RM0.2 million.

#### Investment

Overall, the property investment unit recorded better performance in Q1 2022 compared to Q1 2021 with higher revenue contribution from the hospitality unit and the food and beverage (“F&B”) business operated by Osteria Gamberoni Sdn Bhd (“OGSB”) pursuant to the recent relaxation of MCO restrictions by the Malaysian government. Our hospitality unit recorded a significant improvement in revenue from RM2.7 million in Q1 2021 to RM4.1 million in Q1 2022, an increase of approximately RM1.4 million or 52.8%, coupled with the increase in revenue from the F&B business of RM0.6 million. The flow-down effect of higher revenue resulted in a lower loss for these businesses of RM2.8 million in Q1 2022 compared to a loss of RM5.3 million in Q1 2021. Our investment property, Yap Ah Shak House, commenced operations in Q1 2022 with a loss of RM0.2 million, comparable to the loss in Q1 2021.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 14. Review of performance (Continued)

#### *Travel & Tours*

With the re-opening and relaxation in travelling restrictions of some international destinations for tourists, the performance of the Travel & Tours division recorded significant improvement with substantially higher revenue in Q1 2022 of RM13.9 million compared to RM2.3 million in Q1 2021, an increase in revenue of RM11.6 million or approximately 496.0%. The division recorded profit before tax of RM0.3 million in Q1 2022 compared to loss before tax of RM0.4 in Q1 2021.

#### *Financial Services*

Financial Services division recorded slightly higher revenue of RM0.7 million in Q1 2022 compared to RM0.5 million in Q1 2021. Despite the higher revenue, the division recorded higher loss before tax of RM1.3 million in Q1 2022 compared to loss of RM1.1 million in Q1 2021 mainly due to higher operating expenses in Q1 2022 compared to Q1 2021 coupled with absence of foreign exchange gain recorded in Q1 2021.

#### *Others*

The Others division registered higher revenue of RM2.6 million in Q1 2022 compared to the revenue of RM46,000 for Q1 2021 mainly attributable to the higher revenue from the bus-body fabrication unit with the commencement of export of buses to Australia as the testing and certification of bus-body by the Australian authority was completed in the third quarter of 2021. The flow down effect of higher revenue resulted in the Others division recording a lower loss before tax of RM1.0 million in Q1 2022 compared to loss before tax of RM1.7 million in Q1 2021.

### 15. Comparison of results with immediate preceding quarter

	<u>Quarter</u>		<u>Changes</u>	
	<u>31.03.2022</u>	<u>31.12.2021</u>	<u>RM'000</u>	<u>%</u>
	<u>RM'000</u>	<u>RM'000</u>		
Revenue	38,959	41,675	(2,716)	(6.5)
Profit/(Loss) from operations	(4,452)	25,606	(30,058)	(117.4)
Profit/(Loss) before tax	(6,216)	23,523	(29,739)	(126.4)
Net profit/(loss) for the financial period	(6,583)	22,467	(29,050)	(129.3)
Net profit/(loss) for the financial period attributable to the Owners of the Parent	<u>(6,940)</u>	<u>12,422</u>	(19,362)	(155.9)

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 15. Comparison of results with immediate preceding quarter (Continued)

#### *Overall performance*

The Group recorded lower revenue of RM39.0 million for Q1 2022 compared to the revenue of RM41.7 million in the immediate preceding quarter ended 31 December 2022 (“Q4 2021”) coupled with lower other operating income of RM1.8 million in Q1 2022 compared to RM36.9 million in Q4 2021. The higher other operating income in Q4 2021 was mainly attributable to fair value gain assessed on the venture investment portfolio of RM6.4 million, fair value gain on remeasurement of the Group’s previously held interest in an associate of RM15.8 million, gain on bargain purchase arising on step-up of interest in an associate to subsidiary of RM5.0 million and gain on disposal of hotel management services contracts of RM7.0 million in Q4 2021. With the lower revenue and other operating income partly offset by lower operating expenses and finance costs, the Group recorded loss before tax of RM6.2 million in Q1 2022 compared to profit before tax of RM23.5 million in Q4 2021.

#### *Investment Holding*

The division reported lower revenue of RM0.8 million in Q1 2022 compared to the revenue of RM14.3 million in Q4 2021 as Q4 2021 revenue included dividends from the subsidiaries which had no impact to the Group’s revenue. The loss before tax of RM2.8 million in Q1 2022 recorded by the division compared to profit before tax of RM10.0 million in Q4 2021 was mainly attributable to the flow down effect of lower revenue and absence of fair value gain on remeasurement of the Group’s previously held interest in an associate of RM2.1 million recorded in Q4 2021 partly offset by absence of impairment loss on investment in a subsidiary and amount due from subsidiaries recorded in Q4 2021 which had no impact to the Group’s results.

#### *Information & Communications Technology*

The division registered lower revenue of RM16.6 million in Q1 2022 compared to RM22.1 million in Q4 2021 mainly due to lower revenue from system sale contracts of GlobeOSS BU. The lower profit before tax of RM2.0 million in Q1 2022 compared to the profit before tax of RM25.7 million in Q4 2021 was mainly attributable to lower fair value gain assessed on the venture investment portfolio of RM0.4 million in Q1 2022 compared to fair value gain of RM6.9 million in Q4 2022 coupled with absence of fair value gain on remeasurement of the Group’s previously held interest in an associate of RM13.7 million and gain on bargain purchase arising on step-up of interest in an associate to subsidiary of RM5.0 million recorded in Q4 2021 partly mitigated by lower operating expenses of the division in Q1 2022 compared to Q4 2021 mainly due to higher payroll cost in Q4 2021 and absence of impairment loss on an investment property recognised in Q4 2021.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 15. Comparison of results with immediate preceding quarter (Continued)

#### *Property Development & Investment*

The division recorded lower revenue of RM5.5 million Q1 2022 compared to revenue of RM7.8 million recorded in the previous quarter. The bulk of the revenue was contributed by the hospitality business which recorded revenue of RM4.1 million in Q1 2022 compared to RM6.4 million in Q4 2021.

In the quarter under review, the division recorded a loss of RM3.5 million compared to a profit of RM1.8 million in the previous quarter. The profit recorded in Q4 2021 was mainly attributable to the other net operating income contributed by the hospitality unit arising from gain on disposal of hotel management services contracts of RM7.0 million recorded in Q4 2021, partly offset by impairment loss on goodwill recognised in Q4 2021.

#### Development

The property development unit registered comparable loss before tax in both Q1 2022 and Q4 2021 as the unit did not launch any property development project in these two quarters.

#### Investment

Excluding the other net operating income recorded in Q4 2021 as mentioned above, the flowdown effect of lower revenue of RM5.5 million in Q1 2022 compared to RM7.8 million in Q4 2021 resulted in higher loss of RM2.6 million in Q1 2022 compared to a loss of RM1.9 million in Q4 2021. The bulk of the revenue and loss was attributable to the hospitality unit which recorded a lower revenue in Q1 2022 compared to Q4 2021 partly due to absence of management fee in Q1 2022 coupled with the overall lower average occupancy rate partly offset by slightly higher average room rate compared to Q4 2021.

#### *Travel & Tours*

The division recorded higher revenue of RM13.9 million in Q1 2022 compared to the revenue of RM8.1 million in Q4 2021 as a result of higher revenue from group ticketing and tours during the quarter under review. With the higher revenue recorded in the current quarter under review, the division recorded profit before tax of RM0.3 million in Q1 2022 compared to loss before tax of RM50,000 in the preceding quarter.

#### *Financial Services*

The Financial Services division comprising the card & payment services and money services units recorded higher revenue of RM0.73 million in Q1 2022 compared to RM0.66 million Q4 2021 with the easing of the restriction in Q1 2022. With the higher revenue, loss before tax was lower in Q1 2022 of RM1.3 million compared to loss before tax of RM1.6 million in the preceding quarter.

#### *Others*

The Others division recorded lower revenue of RM2.6 million in Q1 2022 compared to RM3.4 million in Q4 2021 mainly attributable to the lower number of buses exported by the bus-fabrication unit. Despite the lower revenue, the division reported lower loss before tax of RM1.0 million in Q1 2022 compared to loss before tax of RM2.5 million in Q4 2021 mainly attributable to lower operating expenses in Q1 2022.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 16. Prospects

As we enter the second quarter of fiscal 2022, the country is in the transition to endemic phase arising from the coronavirus (“COVID-19”) pandemic which will augur well to facilitate the gradual recovery of our economy. However, the Group remains mindful of the challenges of COVID-19 pandemic and thus the successful execution of our business plans with tight focus on costs and continued investment into our businesses to deliver better Group financial performances, is critically important for the year ahead.

#### *Information & Communications Technology*

The COVID-19 pandemic continues to affect many countries in the division’s regions of focus, although many territories have relaxed movement and travel restrictions. The uncertainty of economic recovery from the shock caused by COVID-19 and the prospect of another economic slowdown or a slow recovery, especially in the division’s regions of focus, have weighed on the division when considering the outlook for the remainder of the financial year.

The impact of COVID-19 on Unifiedcomms and GlobeOSS operations in the current financial year has fortunately remained minimal. This is because these businesses operate primarily in the field of telecommunications, an essential service in any economy today. In addition, Unifiedcomms and GlobeOSS businesses have been made capable of fully functioning under a work-from-home mode of operation, well ahead of movement control restrictions or lockdown orders being enforced. The division’s primary customers in the Unifiedcomms and GlobeOSS businesses are telecommunications network operators and service providers that have continued to operate normally throughout COVID-19 restrictions, albeit remotely and through digital engagement, rather than face-to-face interaction. Contracts in-hand continue to be progressed and division are hopeful that new projects and initiatives requiring our products and services will continue to be pursued by customers. The possibility remains however, that larger system sale contracts that have yet to be committed in the current financial year, may be further deferred, or even abandoned entirely if macroeconomic and industry conditions worsen or do not improve significantly enough. Some managed service contracts of the division which have been impacted by government restrictions or directives arising from COVID-19 policy measures, may meanwhile continue to show weaker performance.

At Captii Ventures, the division’s venture investment business, the climate for business development and funding has improved but continues to be challenging for certain start-ups in industries or business areas that remain significantly affected by COVID-19. On a more positive note, the division had in the current quarter successfully materialised certain unrealised fair value gains recorded in prior years by disposing one venture investment. As a result of this exit, disposal proceeds of S\$1.5m were received and are reflected in the consolidated statement of cash flows for the current quarter. Moreover, a number of other investees in the portfolio continued to grow strongly through the period under review, and contributed to the improvement in value of the overall venture investment portfolio.

Against this negative but improving macroeconomic backdrop for the future, the division remains optimistic and will continue to work closely with customers and investees, to minimise the negative impact of COVID-19 on the division financial performance. The division continues to take an active and measured approach to managing risks to protect the group’s people and assets, and will sustain these efforts until the effects of the lingering pandemic abate.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 16. Prospects (Continued)

#### *Property Development & Investment*

##### Development

The focus of the property development unit for fiscal 2022 will be the launching of Phase 2 of Federal Park project which comprises 88 units of double storey terrace houses and 28 units of single storey terrace houses. The anticipated gross development value for Phase 2 of Federal Park project is in excess of RM44 million. This will be followed by the launching of Sejjak Project with an estimated gross development value of RM67 million comprising 88 units of double storey terrace houses, 80 units of townhouses and 40 units of single terrace houses. With these two new projects generating a total gross development value in excess of RM110 million, the property development unit expects to be back on track on its earnings.

Although the property development unit expects the property market in Kuching, Sarawak to remain soft due to the negative impact of the pandemic crisis and stringent financing requirements in fiscal 2022, with the right pricing and affordability for its development properties, the division is confident of the marketability of Phase 2 of Federal Park project and Sejjak project which comprised mainly affordable residential properties. ASR will also continue to improve its product quality and customer service to maintain its position as one of the most reputable developer in Kuching.

##### Investment

With the transition to endemic phase in Malaysia, the hospitality unit is hopeful that more travel restrictions will be relaxed which will allow the hospitality business an opportunity for a gradual recovery with the expected pent-up demand for travel. However, we anticipate travellers to remain cautious which may deter recovery to pre-pandemic level coupled with largely closed borders of China, one of the world's largest outbound travel market. For the near term, the Group will focus on domestic tourism in respective countries where the Group's hotels are located as it expects domestic demand to recover faster than international demand.

The Group took the opportunity during the border closures to introduce new facilities (such as a new thematic pool specially designed for corporate team-building activities and a children fun pool for family) and upgrading works for guestrooms and toilets since 2020. This will position the 2 hotels of the Group, namely Holiday Villa Beach Resort & Spa Langkawi and Holiday Villa Beach Resort & Spa Cherating to be in a competitive position to attract the domestic and international travellers for 2022. With expectation of more international tourists into Malaysia, we are hopeful for a stronger trading recovery in 2022 for our Holiday Villa Beach Resort & Spa Langkawi. Holiday Villa Beach Resort & Spa Cherating performed well when travel restrictions were relaxed with an upsurge in demand from the local tourists and this trend is expected to continue barring unforeseen circumstances. The renovation of our aparthotel in Earls Court, London is expected to be completed in the middle of 2022. Further, Holiday Villa Hotel & Residence Shanghai Jiading P.R.C. was on its upward trend since beginning of 2022 but experienced a downward trend from March 2022 pursuant to a surge of the COVID-19 pandemic cases in China which resulted in many cities, including Shanghai, experiencing a wide lockdown. However, the improved performance in early 2022 for Holiday Villa Hotel & Residence Shanghai Jiading P.R.C. demonstrated the release of pent-up demand of travellers once travel restrictions are relaxed although the upward trend may remain limited this year with uncertainty in the relaxation of restrictions in China.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 16. Prospects (Continued)

#### *Property Development & Investment (Continued)*

##### Investment (Continued)

The renovation and improvements to Yap Ah Shak House in Kuala Lumpur was completed in mid-2021, to deliver a high quality mixed-use property comprising serviced offices, meeting facilities, an event space as well as two floors of food and beverage operations. This mixed-use investment property of the Group in the heart of Kuala Lumpur is now fully operational, but a protracted ramp-up period is expected post-opening due to the economic impact of the COVID-19 pandemic on many industries. Operation and management of the serviced offices, meeting facilities, event space and the food and beverage venues at Yap Ah Shak House are internalised and undertaken by subsidiaries of ASR, Yap Ah Shak House Sdn Bhd and OGSB.

##### *Travel & Tours*

Our Travel and Tours division has been most affected by the COVID-19 pandemic. With grounding of airplanes, closing of hotels and travel restrictions in many countries, the division saw a major dive in its business for the past two years and the division's performance in fiscal 2022 depends very much on the easing of travel restrictions and pattern of travel. However, its business plan to focus on building its corporate client base for the ticketing business and in developing and adapting its products to sustain growth in the leisure and corporate group markets for both inbound and outbound travel and tours remains.

##### *Financial Services*

The emergence of COVID-19 in fiscal 2020 brought significant economic uncertainty in Malaysia and the markets in which Paydee Sdn Bhd ("Paydee"), our card and payment services business, and Qurex Sdn Bhd ("Qurex"), a money services business, operate.

Paydee launched an improved e-commerce payment acceptance service in fiscal 2021 after completing integration with strategic partners to support e-wallet and FPX modes of payment. The operating environment for Paydee's existing payment application services continues to be challenging in terms of technology, competition from banks and other non-bank acquirers and also the economic uncertainty for certain merchant segments brought about by the lingering pandemic. Paydee has since in fiscal 2021 initiated the process of evolving its operations, technologies and application services to better address the enormous opportunity for innovation in the SME market for B2B payments. The division is cautiously optimistic that its new product roadmap and business development strategies will deliver positive results for the division in the coming years.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 16. Prospects (Continued)

#### *Financial Services (Continued)*

The business environment for retail currency exchange and international remittance services in Malaysia meanwhile, continues to be challenging due to competition from digital service providers and lower cost, safe alternative to physical travelling for business. Qurex will continue to practise cost discipline while exploring opportunities to generate new sources of sustainable business.

#### *Others*

Our bus-body fabrication unit, Aviva Master Coach Technology Sdn Bhd (“Aviva”), remains focused to ensure its production to be cost efficient and for timely delivery of buses.

Aviva buses are designed and fabricated in compliance with the internationally recognised safety standards. The unit has approval from Kementerian Perdagangan Dalam Negeri, Koperasi Dan Kepenggunaan to affix the “Barangan Buatan Malaysia” (“Product Made In Malaysia”) logo on our locally designed bus models Autobus LF 12250, Autobus LF 10200 and Autobus SD 12300. Autobus is designed and built to internationally recognised safety standards.

As the testing and certification for Aviva bus body has been completed in Australia, the unit expects sale of buses to Australia to improve as its Australian customer is cautiously optimistic on the sale of buses in the year ahead. Although the COVID-19 pandemic has affected the business operations during the MCO, this has not derailed its business plan for the Australian market.

With the various measures put in place, our bus-body fabrication unit is cautiously optimistic that it is in a good position to manage the challenges in fiscal 2022.

Our education unit continues to position itself as an integral part of the digital education ecosystem both locally and globally. The strategic shift towards becoming an education content provider within this ecosystem has led to new partnerships to create digital learning content. The unit is cautiously optimistic about the drive to enrol large numbers of foreign students as Malaysia moves towards endemicity.



## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 17. Board of Directors' opinion on revenue or profit estimate, forecast, projection or internal targets

The Group did not previously announce or disclose any revenue or profit estimate, forecast, projection or internal targets in a public document.

### 18. Profit variance and shortfall in profit guarantee

Not applicable.

### 19. Income tax expense

	<b>3 months ended <u>31.3.2022</u> RM'000</b>	<b>Year-to-date ended <u>31.3.2022</u> RM'000</b>
On current quarter results		
- Corporate income tax	(367)	(367)

The effective income tax rate of the Group for the current quarter and year-to-date ended 31 March 2022 is higher than the statutory tax rate mainly due to certain expenses which are not deductible for taxation purpose and the non-availability of group relief for losses incurred by certain subsidiaries in the Group.

### 20. Status of corporate proposals

The status of corporate proposals announced but not completed as at the latest practicable date which must not be earlier than 7 days from the date of issue of the quarterly report are summarised below:

- (a) The Company announced on 8 August 2019 that Cherating Holiday Villa Berhad ("CHV"), an indirect wholly-owned subsidiary of the Company, had on 8 August 2019 entered into a Sale and Purchase Agreement with Amanah Raya Berhad for CHV to buy back a resort hotel consisting of an administration building, hotel / apartment blocks, standard and individually designed chalets and villas and other ancillary buildings and structures known as Holiday Villa Cherating, measuring in aggregate area of approximately 42,634.7875 square metres for a buy back price of RM22,965,600.00 only free from all encumbrances and on an "as is where is" basis ("Proposed CHV Buyback"). Barring any unforeseen circumstances, the Proposed CHV Buyback is expected to be completed in the second half of year 2029.
- (b) The Company announced on 6 November 2020 that Mayor Hotels Sdn Bhd ("MHSB"), an indirect wholly-owned subsidiary of the Company, had on 6 November 2020 entered into a sale and purchase agreement ("SPA") for M1 Plaza Sdn Bhd to purchase from MHSB the hotel property known as City Villa Kuala Lumpur located at No. 69, Jalan Haji Hussein, Off Jalan Tuanku Abdul Rahman, 50300 Kuala Lumpur on "as is where is" basis for a total cash consideration of RM24,000,000 subject to the terms and conditions as stipulated in the SPA ("Proposed City Villa Disposal"). Barring any unforeseen circumstances, the Proposed City Villa Disposal is expected to be completed in the fourth quarter of 2024.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 20. Status of corporate proposals (Continued)

- (c) The Company announced on 11 March 2022 that the Company is proposing to undertake the following proposals:
- (i) proposed renounceable rights issue of up to 1,858,389,886 new ordinary shares in the Company (“Rights Shares”) on the basis of two (2) Rights Shares for every one (1) existing ordinary share in the Company (“ASB Share” or “Share”) held on an entitlement date to be determined later (“Proposed Rights Issue”);
  - (ii) proposed exemption for Dato’ Ahmad Sebi Bakar and the persons acting in concert with him, namely Suasana Dinamik Sdn Bhd, Bright Existence Sdn Bhd, Aryati Sasya Dato’ Ahmad Sebi, Anton Syazi Dato’ Ahmad Sebi and Eighth Review (M) Sdn Bhd under subparagraph 4.08 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions from the obligation to undertake a mandatory take-over offer for the remaining ASB Shares not already owned by them, upon the completion of the Proposed Rights Issue (“Proposed Exemption”); and
  - (iii) proposed establishment of a share grant scheme of up to ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the scheme for the eligible directors and employees of the Company and its subsidiaries (“Group”) (excluding subsidiary(ies) listed on any stock exchange as well as its group of companies, and any dormant subsidiary(ies) of the Group) (“Proposed SGS”).

(Collectively, referred to as the “Proposals”)

The proceeds to be raised from the Proposed Rights Issue will be primarily used for investment in existing businesses and/or future business expansion/new strategic investment and working capital of the Group.

The Proposals are subject to the following approvals being obtained:

- (i) Bursa Malaysia Securities Berhad (“Bursa Securities”) for the listing of and quotation for the new Shares to be issued pursuant to the Proposed Rights Issue and Proposed SGS on the Main Market of Bursa Securities;
- (ii) the Securities Commission for the Proposed Exemption, of which the approval will be sought after the Extraordinary General Meeting (“EGM”);
- (iii) shareholders of the Company for the Proposals at the EGM to be convened; and
- (iv) any other relevant authorities and/or parties, if required.

The Proposals are not conditional upon any other proposal undertaken or to be undertaken by the Company. The Proposed Rights Issue and the Proposed Exemption are inter-conditional upon each other, whilst the Proposed SGS is not conditional upon the Proposed Rights Issue and Proposed Exemption, and vice versa.

**NOTES TO THE INTERIM FINANCIAL REPORT (Continued)**

**21. Utilisation of proceeds from disposal of Helenium**

The status of utilisation of proceeds raised from the disposal of the entire investment of 40% equity interest in Helenium Holdings Limited by Synergy Realty Incorporated, an indirect wholly-owned subsidiary of the Company, as at 31 March 2022 is as follows:

	<b>Proposed Utilisation GBP'000</b>	<b>Utilisation to-date GBP'000</b>	<b>Balance unutilised GBP'000</b>	<b>Intended time frame for Utilisation from 18.07.2019</b>	<b>Extended time frame for Utilisation</b>
Refurbishment of hotels and working capital	3,000	2,912	88	Within 12 months	Additional 24 months
Operating expenses of the Group	1,600	1,600	-	Within 12 months	-
Expenses for the disposal	150	145	5	Within 12 months	-
	<u>4,750</u>	<u>4,657</u>	<u>93</u>		

**22. Utilisation of proceeds from disposal of Wisma Synergy**

The status of utilisation of proceeds raised from the disposal of a property, Wisma Synergy, by AESBI Power Systems Sdn Bhd, an indirect wholly-owned subsidiary of the Company, as at 31 March 2022 is as follows:

	<b>Proposed Utilisation RM'000</b>	<b>Utilisation to-date RM'000</b>	<b>Balance unutilised RM'000</b>	<b>Intended time frame for Utilisation from 08.11.2019</b>	<b>Extended time frame for Utilisation</b>
Repayment of borrowings	61,340	61,336	4	Within 3 months	-
Working capital of the Group	51,900	37,213	14,687	Within 12 months	Additional 24 months
Expenses for the disposal	10,760	10,760	-	Within 3 months	-
	<u>124,000</u>	<u>109,309</u>	<u>14,691</u>		

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 23. Utilisation of proceeds from disposal of Arosa Land

The status of utilisation of proceeds raised from the disposal of a land in Arosa, by Posthotel Arosa AG, an indirect 65%-owned subsidiary of the Company, as at 31 March 2022 is as follows:

	<b>Proposed Utilisation CHF'000</b>	<b>Utilisation to-date CHF'000</b>	<b>Balance unutilised CHF'000</b>	<b>Intended timeframe for Utilisation from 04.12.2020</b>
Working capital of the Group	5,300	2,035	3,265	Within 24 months
Expenses for the disposal	650	650	-	Within 12 months
	<u>5,950</u>	<u>2,685</u>	<u>3,265</u>	

### 24. Utilisation of proceeds from disposal of hotel management agreements, licensing agreements and trademarks of Alangka-Suka Hotels & Resorts Sdn Bhd Group

The status of utilisation of proceeds raised from the disposal of hotel management agreements, licensing agreements and trademarks of Alangka-Suka Hotels & Resorts Sdn Bhd Group, as at 31 March 2022 is as follows:

	<b>Proposed Utilisation RM'000</b>	<b>Utilisation to-date RM'000</b>	<b>Balance unutilised RM'000</b>	<b>Intended timeframe for Utilisation from 03.12.2021</b>
Working capital of the Group	6,844	5,044	1,800	<u>Proceeds of RM4.4844 million</u> - Within 24 months
				<u>Proceeds of RM200,000 per quarter totaling RM2.0 million for Remaining Balance</u> - Within 3 months from the receipt of the quarterly payment
Expenses for the disposal	156	143	13	Within 12 months
	<u>7,000</u>	<u>5,187</u>	<u>1,813</u>	

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 25. Group borrowings

Details of the borrowings by the Group are as follows:

	<b>As at</b> <b>31.3.2022</b> <b>RM'000</b>	<b>As at</b> <b>31.12.2021</b> <b>RM'000</b>
<b>Short term - secured</b>		
- Term loans	4,017	4,881
- Bank overdraft	-	238
- Revolving credit	38,600	38,600
	<u>42,617</u>	<u>43,719</u>
<b>Long term - secured</b>		
- Term loans	66,200	61,631
	<u>66,200</u>	<u>61,631</u>
<b>Total borrowings</b>	<u>108,817</u>	<u>105,350</u>

### 26. Financial Instruments

(a) Derivatives

The Group does not have any outstanding derivatives as at the date of this report.

(b) Gain/Loss arising from fair value changes of financial liabilities

There was no gain/loss arising from the fair value changes in financial liabilities for the current financial period.

### 27. Material litigation

There was no material litigation as at the latest practicable date which is a date not earlier than 7 days from the date of issue of the quarterly report.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 28. Notes To The Statement of Comprehensive Income

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

	<b>3 months ended <u>31.3.2022</u> RM'000</b>	<b>3 months ended <u>31.3.2021</u> RM'000</b>
Amortisation of intangible assets	(218)	(276)
Depreciation	(3,827)	(3,570)
Dividend received	6	9
Fair value change in unquoted investment securities	408	1,318
Fair value change in quoted investment securities	(419)	(1,027)
Interest expenses	(1,765)	(1,548)
Interest income	326	344
Net gain/(loss) on disposal of:		
- unquoted investment securities	-	(430)
- quoted investment securities	1	527
Net unrealised (loss)/gain on foreign exchange	229	(593)
Property, plant and equipment written off	-	(11)
Provision for retirement benefits plan	(24)	(56)

### 29. Dividend

The Board has on 28 April 2022 announced that the Company has proposed a single-tier dividend of 0.15 sen per ordinary share for the financial year ended 31 December 2021 subject to shareholders' approval at the forthcoming Annual General Meeting to be held on 30 June 2022.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 30. Loss per share

#### Basic loss per share

The basic loss per share for the current quarter and current year-to-date are computed based on the Group's net loss attributable to equity holders of the Company of RM6,940,000, divided by the weighted average number of ordinary shares of 929,194,943 for the current quarter and current year-to-date respectively as follows:

	<b>3 months ended</b>		<b>Year-to-date ended</b>	
	<b><u>31.3.2022</u></b>	<b><u>31.3.2021</u></b>	<b><u>31.3.2022</u></b>	<b><u>31.3.2021</u></b>
	<b>No. of shares</b>		<b>No. of shares</b>	
Issued / weighted average number of ordinary shares	<u>929,194,943</u>	<u>929,194,943</u>	<u>929,194,943</u>	<u>929,194,943</u>
	<b>3 months ended</b>		<b>Year-to-date ended</b>	
	<b><u>31.3.2022</u></b>	<b><u>31.3.2021</u></b>	<b><u>31.3.2022</u></b>	<b><u>31.3.2021</u></b>
Basic loss per share (sen)	<u>(0.75)</u>	<u>(0.93)</u>	<u>(0.75)</u>	<u>(0.93)</u>

#### Diluted loss per share

The basic and diluted loss per share are reported to be the same for the current quarter, current year-to-date, corresponding quarter last year and corresponding year-to-date last year as the Company has no dilutive potential shares.

	<b>3 months ended</b>		<b>Year-to-date ended</b>	
	<b><u>31.3.2022</u></b>	<b><u>31.3.2021</u></b>	<b><u>31.3.2022</u></b>	<b><u>31.3.2021</u></b>
Diluted loss per share (sen)	<u>(0.75)</u>	<u>(0.93)</u>	<u>(0.75)</u>	<u>(0.93)</u>

### 31. Status of E-commerce activities

Not applicable.

BY ORDER OF THE BOARD  
ADVANCE SYNERGY BERHAD

HO TSAE FENG  
Company Secretary  
25 May 2022