

ADVANCE SYNERGY BERHAD
(Company No: 192001000024 (1225-D))

COMPANY ANNOUNCEMENT

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2021

The Board of Directors of Advance Synergy Berhad wishes to announce the unaudited financial results of the Group for the quarter and period ended 30 June 2021.

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 2020.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	<u>3 months ended</u>		<u>Year-to-date</u>	
	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>30.06.2021</u>	<u>30.06.2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	24,238	22,021	47,952	64,825
Cost of sales	(14,117)	(13,627)	(28,063)	(40,596)
Gross profit	10,121	8,394	19,889	24,229
Other operating income	363	190	3,020	4,910
Operating expenses	(15,843)	(22,347)	(34,732)	(44,349)
Profit/(Loss) from operations	(5,359)	(13,763)	(11,823)	(15,210)
Finance costs	(2,073)	(1,232)	(3,621)	(2,441)
Share of results of associates and joint venture	35	44	55	89
Profit/(Loss) before tax	(7,397)	(14,951)	(15,389)	(17,562)
Income tax expense	(575)	(100)	(1,137)	(1,120)
Net profit/(loss) for the financial period	<u>(7,972)</u>	<u>(15,051)</u>	<u>(16,526)</u>	<u>(18,682)</u>
Attributable to:				
Owners of the parent	(8,287)	(14,674)	(16,883)	(18,772)
Non-controlling interests	315	(377)	357	90
	<u>(7,972)</u>	<u>(15,051)</u>	<u>(16,526)</u>	<u>(18,682)</u>
Loss per share attributable to owners of the parent:				
Basic (sen)	<u>(0.89)</u>	<u>(1.58)</u>	<u>(1.82)</u>	<u>(2.02)</u>
Diluted (sen)	<u>(0.89)</u>	<u>(1.58)</u>	<u>(1.82)</u>	<u>(2.02)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>3 months ended</u>		<u>Year-to-date</u>	
	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>30.06.2021</u>	<u>30.06.2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Net profit/(loss) for the financial period	(7,972)	(15,051)	(16,526)	(18,682)
Other comprehensive income/(expenses):				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences for foreign operations	2,589	3,288	(829)	2,172
<i>Total items that may be reclassified subsequently to profit or loss</i>	2,589	3,288	(829)	2,172
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Fair value through other comprehensive income financial assets	2,693	161	3,215	(2,411)
<i>Total items that will not be reclassified subsequently to profit or loss</i>	2,693	161	3,215	(2,411)
Other comprehensive income/(loss) for the financial period	5,282	3,449	2,386	(239)
Total comprehensive income/(loss) for the financial period	(2,690)	(11,602)	(14,140)	(18,921)
Attributable to:				
Owners of the parent	(2,751)	(10,390)	(14,639)	(18,073)
Non-controlling interests	61	(1,212)	499	(848)
Total comprehensive income/(loss) for the financial period	(2,690)	(11,602)	(14,140)	(18,921)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30.06.2021 RM'000	Audited as at 31.12.2020 RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	202,680	199,018
Right-of-use assets	44,888	47,153
Investment properties	46,377	44,935
Investment in associates and joint venture	12,812	12,757
Investment securities	54,946	51,546
Goodwill	89,967	89,967
Intangible assets	2,502	2,717
Deferred tax assets	4,853	4,841
	459,025	452,934
<u>Current assets</u>		
Inventories	45,639	45,225
Receivables, prepayments and contract assets	74,603	77,451
Tax recoverable	2,506	2,401
Investment securities	5,993	5,162
Financial assets held for trading	-	8
Short term deposits	76,752	63,157
Cash and bank balances	60,908	57,860
	266,401	251,264
TOTAL ASSETS	725,426	704,198
EQUITY AND LIABILITIES		
<u>Equity attributable to owners of the Company</u>		
Share capital	381,377	381,377
Reserves	53,058	67,697
	434,435	449,074
Non-controlling interests	67,668	67,659
Total equity	502,103	516,733
<u>Non-current liabilities</u>		
Borrowings	65,015	38,347
Lease liabilities	48,928	50,506
Payables	9,423	9,294
Deferred tax liabilities	4,066	4,017
Provision for retirement benefit obligations	1,427	1,386
	128,859	103,550
<u>Current liabilities</u>		
Payables and contract liabilities	54,978	53,452
Borrowings	31,849	19,111
Lease liabilities	6,271	6,339
Tax payable	1,366	5,013
	94,464	83,915
Total Liabilities	223,323	187,465
TOTAL EQUITY AND LIABILITIES	725,426	704,198

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2021

	Share Capital RM'000	Revaluation Reserve RM'000	Foreign Currency Translation Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 January 2021	381,377	15,614	12,793	(3,537)	42,827	449,074	67,659	516,733
Net profit/(loss) for the financial period	-	-	-	-	(16,883)	(16,883)	357	(16,526)
Fair value of financial assets through other comprehensive income	-	-	-	3,215	-	3,215	-	3,215
Foreign currency translation differences for foreign operations	-	-	(971)	-	-	(971)	142	(829)
Total comprehensive income/(loss) the financial period	-	-	(971)	3,215	(16,883)	(14,639)	499	(14,140)
Transactions with owners								
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	(490)	(490)
	-	-	-	-	-	-	(490)	(490)
Balance as at 30 June 2021	381,377	15,614	11,822	(322)	25,944	434,435	67,668	502,103

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2021 (Continued)

	Share Capital RM'000	Revaluation Reserve RM'000	Foreign Currency Translation Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 January 2020	381,377	14,547	6,728	(1,334)	80,378	481,696	69,072	550,768
Net profit/(loss) for the financial period	-	-	-	-	(18,772)	(18,772)	90	(18,682)
Fair value of financial assets through other comprehensive income	-	-	-	(2,411)	-	(2,411)	-	(2,411)
Foreign currency translation differences for foreign operations	-	-	3,110	-	-	3,110	(938)	2,172
Total comprehensive income/(loss) the financial period	-	-	3,110	(2,411)	(18,772)	(18,073)	(848)	(18,921)
Balance as at 30 June 2020	381,377	14,547	9,838	(3,745)	61,606	463,623	68,224	531,847

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021**

	6 months ended 30.06.2021 RM'000	6 months ended 30.06.2020 RM'000
Cash flows from operating activities		
Loss before tax	(15,389)	(17,562)
Adjustments for:-		
Non-cash items	9,066	16,790
Other investing and financing items	2,942	1,374
Operating (loss)/profit before working capital changes	(3,381)	602
Changes in working capital		
Inventories	(414)	270
Receivables	(537)	8,597
Financial assets held for trading	8	379
Payables	1,897	1,180
Net cash (used in)/generated from operations	(2,427)	11,028
Net tax paid	(4,887)	(588)
Net cash (used in)/generated from operating activities	(7,314)	10,440
Cash flows from investing activities		
Acquisition of held for trading investments	(1,365)	-
Acquisition of unquoted investment securities	(630)	(328)
Addition of intangible assets	(377)	(535)
Addition of investment properties	(1,509)	(5,257)
Interest received	656	1,067
Dividend received	23	-
Proceeds from disposal of held for trading investments	101	-
Proceeds from disposal of unquoted investment securities	1,290	313
Purchase of property, plant and equipment (Placement)/Withdrawal of pledged deposits	(2,446) (67)	(1,319) 266
Net cash used in investing activities	(4,324)	(5,793)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021 (Continued)**

	6 months ended 30.06.2021 RM'000	6 months ended 30.06.2020 RM'000
Cash flows from financing activities		
Dividend paid to non-controlling interests of a subsidiary	(490)	-
Drawdown of borrowings	42,115	10,000
Interest paid	(3,621)	(2,441)
Repayment of borrowings	(2,580)	(2,241)
Repayment of lease liabilities	(1,701)	(4,947)
Net generated from financing activities	33,723	371
Effect of exchange rate changes	(5,932)	365
Net increase in cash and cash equivalents	16,153	5,383
Cash and cash equivalents as at beginning of the financial period		
As previously reported	86,959	90,619
Effect of exchange rate changes	551	995
As restated	87,510	91,614
Cash and cash equivalents as at end of the financial period #	103,663	96,997
# Cash and cash equivalents at the end of the financial period comprising the following:		
Short term deposits	76,752	68,353
Cash and bank balances	60,908	62,869
Bank overdrafts	(226)	(105)
	137,434	131,117
Less: Deposits placed with lease payables as security deposit for lease payments	(13,561)	(13,266)
Cash held under Housing Development Accounts	(668)	(652)
Deposits pledged to licensed banks	(19,542)	(20,202)
	(33,771)	(34,120)
	103,663	96,997

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 2020.

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 2020, except for the adoption of the following Amendments/Improvements to Malaysian Financial Reporting Standard (“MFRS”):

Amendments/ Improvements to MFRSs

MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 139	Financial Instruments: Recognition and Measurement

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:

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022 [^] / 1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023 [#]
MFRS 4	Insurance Contracts	1 January 2023
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2023 [#]

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)

		Effective for financial periods beginning on or after
<u>Amendments/Improvements to MFRSs (Continued)</u>		
MFRS 9	Financial Instruments	1 January 2022 [^] / 1 January 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16	Leases	1 January 2022 [^]
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023 [^] / 1 January 2023 [#]
MFRS 107	Statement of Cash Flows	1 January 2023 [#]
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023 [#]
MFRS 119	Employee Benefits	1 January 2023 [#]
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132	Financial Instruments: Presentation	1 January 2023 [#]
MFRS 136	Impairment of Assets	1 January 2023 [#]
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 140	Investment Property	1 January 2023 [#]
MFRS 141	Agriculture	1 January 2022 [^]

[^] *The Annual Improvements to MFRS Standards 2018-2020*

[#] *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*

3. Audit Report

The auditors' report on the financial statements for the year ended 31 December 2020 was not subject to any qualification.

4. Seasonal or cyclical factors

The operations of the Group for the quarter ended 30 June 2021 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 30 June 2021.

8. Dividends paid

There was no dividend paid during the financial period ended 30 June 2021.

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

9. Segmental Information

For the financial period ended 30 June 2021

	Investment Holding	Hospitality	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	RM'000
Revenue									
External	133	5,370	33,628	2,707	4,292	922	900	-	47,952
Inter-segment	1,328	-	-	849	-	-	-	(2,177)	-
Total revenue	1,461	5,370	33,628	3,556	4,292	922	900	(2,177)	47,952
Results									
Segment results	(3,527)	(8,692)	4,237	(1,231)	(726)	(2,482)	(3,023)	-	(15,444)
Share of results of associates and joint venture	62	(7)	-	-	-	-	-	-	55
Profit/(Loss) before tax	(3,465)	(8,699)	4,237	(1,231)	(726)	(2,482)	(3,023)	-	(15,389)
Income tax expense									(1,137)
Net profit/(loss) for the financial period									(16,526)
Non-controlling interests									(357)
Net profit/(loss) for the financial period attributable to owners of the parent									(16,883)

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

9. Segmental Information (Continued)

For the financial period ended 30 June 2021 (Continued)

	Investment Holding	Hospitality	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	RM'000
<u>Other information</u>									
Segment assets	62,727	284,362	181,370	124,369	10,777	20,281	21,369	-	705,255
Investment in associates and joint venture	12,701	111	-	-	-	-	-	-	12,812
Unallocated corporate assets									7,359
Total assets									725,426
Segment liabilities	6,193	141,385	16,994	38,927	2,468	6,242	5,682	-	217,891
Unallocated corporate liabilities									5,432
Total liabilities									223,323
Capital expenditure:									
- Property, plant & equipment	2	998	274	371	-	690	111	-	2,446
- Software development expenditure	-	-	371	-	-	-	6	-	377

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

9. Segmental Information (Continued)

For the financial period ended 30 June 2020

	Investment Holding	Hospitality	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	RM'000
Revenue									
External	499	12,424	32,798	699	15,734	2,271	400	-	64,825
Inter-segment	1,606	-	-	-	69	-	-	(1,675)	-
Total revenue	2,105	12,424	32,798	699	15,803	2,271	400	(1,675)	64,825
Results									
Segment results	(5,892)	(6,746)	906	(347)	(877)	(2,587)	(2,108)	-	(17,651)
Share of results of associates and joint venture	91	(2)	-	-	-	-	-	-	89
Profit/(Loss) before tax	(5,801)	(6,748)	906	(347)	(877)	(2,587)	(2,108)	-	(17,562)
Income tax expense									(1,120)
Net profit/(loss) for the financial period									(18,682)
Non-controlling interests									(90)
Net profit/(loss) for the financial period attributable to owners of the parent									(18,772)

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

9. Segmental Information (Continued)

For the financial period ended 30 June 2020 (Continued)

	Investment Holding	Hospitality	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	RM'000
<u>Other information</u>									
Segment assets	53,660	285,595	208,757	104,803	25,303	26,235	10,304	-	714,657
Investment in associates and joint venture	12,590	114	-	-	355	-	-	-	13,059
Unallocated corporate assets									10,500
Total assets									738,216
Segment liabilities	13,373	102,171	21,536	33,893	10,764	12,088	1,918	-	195,743
Unallocated corporate liabilities									10,626
Total liabilities									206,369
Capital expenditure:									
- Property, plant & equipment	12	195	949	-	-	158	5	-	1,319
- Software development expenditure	-	-	535	-	-	-	-	-	535

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 year ended 31 December 2020.

11. Significant events after the reporting period

There are no significant events after the reporting period.

12. Changes in the composition of the Group

On 3 March 2021, Synergy Holidays Company Limited, a dormant indirect 50%-owned associates of the Company registered in the Republic of The Union of Myanmar, was liquidated.

13. Changes in contingent liabilities

There are no changes in contingent liabilities since the last annual statements of financial position as at 31 December 2020.

14. Review of performance

	<u>Year-to-date</u> <u>6 months ended</u>		<u>Changes</u>	
	<u>30.06.2021</u> RM'000	<u>30.06.2020</u> RM'000	RM'000	%
Revenue	47,952	64,825	(16,873)	(26.0)
Profit/(Loss) from operations	(11,823)	(15,210)	3,387	22.3
Profit/(Loss) before tax	(15,389)	(17,562)	2,173	12.4
Net profit/(loss) for the financial period	(16,526)	(18,682)	2,156	11.5
Net profit/(loss) for the financial period attributable to the Owners of the Parent	<u>(16,883)</u>	<u>(18,772)</u>	1,889	10.1

Overall performance

For the current 6-month period ended 30 June 2021 (“6M 2021”), the impact of the global coronavirus (“Covid-19”) outbreak and movement control order (“MCO”) resulted in the Group recording a lower revenue of RM48.0 million compared to RM64.8 million in the corresponding period last year ended 30 June 2020 (“6M 2020”), a significant decrease in revenue of RM16.9 million or approximately 26.0%. In 2020, MCO was imposed in the country with effect from 18 March 2020. All divisions reported lower revenue in 6M 2021 compared to 6M 2020 except for the Information & Communications Technology, Property Development & Investment and Others divisions.

The significant decrease in revenue for the Group resulted in lower gross profit of RM19.9 million in 6M 2021 compared to RM24.2 million in 6M 2020.

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

14. Review of performance (Continued)

Overall performance (Continued)

Other operating income of the Group reduced from RM4.9 million in 6M 2020 to RM3.0 million in 6M 2021. In 6M 2020, the other operating income included settlement of the court case of RM1.7 million in favour to one of the subsidiaries.

Operating expenses reduced by approximately RM9.6 million from RM44.3 million in 6M 2020 to RM34.7 million in 6M 2021 mainly due to lower fair value loss assessed on the venture investment portfolio, staff cost, distribution cost and other expenses partly offset by higher finance cost. The closure of Holiday Villa London, United Kingdom in the third quarter of 2020 also contributed to the lower operating expenses in 6M 2021.

Despite the lower revenue in 6M 2021, the Group recorded a lower loss before tax of RM15.4 million compared to loss before tax of RM17.6 million in 6M 2020 mainly attributable to lower operating expenses.

Investment Holding

In 6M 2021, the division recorded lower revenue of RM1.5 million compared to the revenue of RM2.1 million in 6M 2020. The lower revenue was mainly attributable to lower interest income and absence of intercompany rental income which had no impact to the Group's revenue partly offset by charging of intercompany shared costs in 6M 2021 which also had no impact to the Group's revenue. Despite the lower revenue for 6M 2021 the division reported a lower loss before tax of RM3.5 million in 6M 2021 compared to a loss of RM5.8 million in 6M 2020 mainly due to a fair value gain on investment securities as opposed to fair value loss in 6M 2020.

Hospitality

The Hospitality division recorded significantly lower revenue of RM5.4 million in 6M 2021 compared to RM12.4 million in 6M 2020, a decline of approximately RM7.0 million or 56.5%. The outbreak of Covid-19 adversely affected the overall performance of the hotels operated and managed by the division. Besides that, closure of Holiday Villa London, United Kingdom in the third quarter of 2020 contributed to the overall lower revenue in 6M 2021.

With the substantial drop in revenue coupled with lower other operating income for 6M 2021, the division reported a loss before tax of RM8.7 million in 6M 2021 compared to a loss before tax of RM6.7 million in 6M 2020. Other operating income for 6M 2020 included settlement of the court case of RM1.7 million in favour of one of the subsidiaries.

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

14. Review of performance (Continued)

Information & Communications Technology

The division recorded higher revenue of RM33.6 million in 6M 2021 compared to RM32.8 million in 6M 2020, an increase in revenue of RM0.8 million or approximately 2.4%. This was mainly due to higher revenue from Unifiedcomms business unit (“BU”) which reported an increase in revenue of 28.8% in the current period under review compared to 6M 2020. This improvement in revenue was mainly driven by higher revenue from managed service contracts. The improved revenue from Unifiedcomms BU was offset partly by the lower revenue from GlobeOSS BU as a result of lower system sale and managed service contract revenue.

With the increase in revenue in 6M 2021 compared to corresponding period last year coupled with lower operating expenses in the current period under review compared to 6M 2020, the ICT division recorded a higher profit before tax of RM4.2 million in 6M 2021 compared to a profit of RM0.9 million in 6M 2020. The lower operating expenses in the current period under review were mainly attributable to lower fair value loss assessed on the venture investment portfolio of RM0.7 million in 6M 2021 compared to a fair value loss of RM4.6 million in 6M 2020 partly offset by higher technical support expenses recorded in 6M 2021 compared to 6M 2020.

Property Development & Investment

The division recorded revenue at RM3.6 million in 6M 2021 whilst RM0.7 million was recorded in 6M 2020. Despite the higher revenue, the division’s loss before tax increased by RM0.9 million from a loss of RM0.3 million in 6M 2020 to a loss of RM1.2 million in 6M 2021. The increased loss mainly resulted from the operating expenditure incurred under the property investment unit.

Travel & Tours

The Covid-19 pandemic which resulted in the imposition of MCO in Malaysia and international travel restrictions had adverse impact on the performance of the travel & tours division. The first time MCO and travel restrictions were imposed in the country was on 18 March 2020 and since then, there were various forms of travel restrictions in the country and globally which continued to have adverse impact on the division up to the reporting period 6M 2021. The division reported substantially lower revenue in 6M 2021 of RM4.3 million compared to RM15.8 million in 6M 2020, a drop in revenue of RM11.5 million or approximately 72.8%. Despite the substantially lower revenue, with the lower operating expenses due mainly to lower payroll cost and the receipt of government subsidy allowances coupled with other income from rental reduction during the current period under review, the division recorded a lower loss before tax of RM0.7 million in 6M 2021 compared to a loss before tax of RM0.9 in 6M 2020.

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

14. Review of performance (Continued)

Financial Services

The Covid-19 pandemic has severely impacted economic activity globally, including Malaysia. Due to the adverse trading conditions brought by the pandemic, the division recorded lower revenue of RM0.9 million in 6M 2021 compared to RM2.3 million in 6M 2020. Both card & payment services and money services units reported lower revenue during the period under review. The flow-down effect of lower revenue was mitigated by concerted efforts to reduce operating cost. As a result, the division recorded a slightly lower loss before tax of RM2.5 million in 6M 2021 compared to a loss before tax of RM2.6 million in 6M 2020.

Others

The Others division registered higher revenue of RM0.9 million in 6M 2021 compared to the revenue of RM0.4 million for 6M 2020. Both the bus-body fabrication and education units continued to show loss before tax totalling RM3.0 million in 6M 2021 compared to a loss of RM2.1 million in 6M 2020.

15. Comparison of results with immediate preceding quarter

	<u>Quarter</u>		<u>Changes</u>	
	<u>3 months ended</u>			
	<u>30.06.2021</u>	<u>31.03.2021</u>	<u>RM'000</u>	<u>%</u>
	<u>RM'000</u>	<u>RM'000</u>		
Revenue	24,238	23,714	524	2.2
Profit/(Loss) from operations	(5,359)	(6,464)	1,105	17.1
Profit/(Loss) before tax	(7,397)	(7,992)	595	7.4
Net profit/(loss) for the financial period	(7,972)	(8,554)	582	6.8
Net profit/(loss) for the financial period attributable to the Owners of the Parent	<u>(8,287)</u>	<u>(8,596)</u>	309	3.6

Overall performance

The Group recorded a slightly higher revenue of RM24.2 million for current quarter ended 30 June 2021 (“Q2 2021”) compared to the revenue of RM23.7 million in the immediate preceding quarter ended 31 March 2021 (“Q1 2021”), an increase of RM0.5 million or approximately 2.1%. 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 RM7.4 million in Q2 2021 compared to loss before tax of RM8.0 million in Q1 2021. The lower other operating income in Q2 2021 was mainly attributable to no fair value gain assessed on the venture investment portfolio in Q2 2021 compared to a fair value gain of RM1.3 million in Q1 2021.

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

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

Investment Holding

The division reported loss before tax of RM1.4 million in Q2 2021 compared to a loss of RM2.0 million in Q1 2021. This was mainly attributable to the higher revenue of RM1.3 million in Q2 2021 compared to RM0.1 million in Q1 2021 as there were intercompany shared costs charged which had no impact to the Group partly offset by no fair value gain assessed on the venture investment portfolio in Q2 2021 as opposed to fair value gain of RM1.0 million in Q1 2021.

Hospitality

The comparable revenue of RM2.7 million was recorded by the division in both Q2 2021 and Q1 2021.

The division recorded a lower loss before tax of RM3.6 million in Q2 2021 compared to a loss of RM5.1 million in Q1 2021 mainly attributable to lower operating expenses in Q2 2021.

Information & Communications Technology

The division registered slightly higher revenue of RM17.2 million in Q2 2021 compared to RM16.4 million in Q1 2021 mainly due to higher revenue share contract revenue of Unifiedcomms BU. Despite the higher revenue in the current quarter under review, the division reported lower profit before tax of RM1.3 million in Q2 2021 compared to the profit before tax of RM2.9 million in Q1 2021 mainly attributable to fair value loss assessed on the division's venture investment portfolio in the current quarter under review of RM1.0 million compared to fair value gain RM0.3 million in the preceding quarter.

Property Development & Investment

Revenue of RM1.4 million was recorded in Q2 2021 compared to revenue of RM2.1 million recorded in Q1 2021. With the lower revenue, the division recorded higher loss before tax of RM0.7 million in Q2 2021 compared to loss of RM0.6 million in the preceding quarter.

Travel & Tours

The division recorded revenue of RM2.0 million in Q2 2021 compared to the revenue of RM2.3 million in Q1 2021 as a result of lower revenue from corporate ticketing during the quarter under review. Despite the lower revenue recorded in the current quarter under review, the division recorded a lower loss before tax of RM0.3 million in Q2 2021 compared to a loss before tax of RM0.4 million in the immediate preceding quarter mainly due to the lower operating expenses in Q2 2021.

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

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

Financial Services

The financial services division comprising the card & payment services and money services units recorded lower revenue of RM0.4 million in Q2 2021 compared to RM0.5 million in Q1 2021. The lower revenue was mainly due to lower revenue from card & payment services unit as a result of lower merchant transactions. With the lower revenue coupled with higher fees payable to the card brands and lower foreign exchange gain in Q2 2021 compared to Q1 2021, the division reported higher loss before tax of RM1.4 million in the quarter under review compared to a loss of RM1.1 million in the preceding quarter.

Others

The Others division recorded a higher revenue of RM0.9 million in Q2 2021 compared to RM46,000 in Q1 2021. With the higher revenue, the division reported a lower loss before tax of RM1.3 million in Q2 2021 compared to a loss of RM1.7 million in Q1 2021.

16. Prospects

As we enter the second half of fiscal 2021, the Covid-19 pandemic continues to dominate the global and local landscape. With the earlier encouraging growth forecasts by international bodies for Malaysia, the Group had hoped to hasten the implementation of our business development plans to in turn deliver better Group financial performance. However, the recent increase in Covid-19 infections and the continuing movement and travel restrictions may now dampen the earlier growth projections for Malaysia. With uncertainty of economic recovery, the Group will continue to actively pursue measures to manage our operating costs and re-work on the future business plans to minimise any potential negative impact arising from the Covid-19 pandemic.

Hospitality

The outbreak of Covid-19 has continued to adversely impact the financial result of our hospitality division for the first half of fiscal 2021 and is likely to spill over for the rest of the year as economic recovery, relaxation of travel restrictions and opening of borders are far from certain.

However, with the current aggressive vaccination programme in place, the division is hopeful that the hospitality sector will be allowed to re-open in the coming months of 2021 which will allow the division an opportunity for a gradual recovery with the expected pent-up demand for travel. The latest proposal by the government to turn Langkawi into a pilot project for the tourism bubble and the interest of international airline like Qatar Airways to Langkawi will augur well for our hotel in Langkawi. The division will also place greater emphasis and be more aggressive and creative in marketing its packages to the respective local market of each country as it expects domestic demand to recover faster than international demand.

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

16. Prospects (Continued)

Hospitality (Continued)

The upgrading of our hotel in Cherating and the renovation of our aparthotel in Earls Court, London are underway and will continue during this expected slow period in 2021 in order to capitalise on the hotel/aparthotel once the industry recovers. There are also upgrading plans for Holiday Villa Beach Resort & Spa Langkawi which include among others, extension of existing ballroom and refurbishment of guest rooms.

As set out in Note 20(c) of this announcement, the expected completion of the Proposed Disposal by end of fiscal 2021 will provide the division with an opportunity to rationalise the operations to focus on assets investment and to have the flexibility to work with various hospitality providers to suit the needs and requirements of the target market for these assets.

Information & Communications Technology

The Covid-19 pandemic has continued to affect many countries in the division's regions of focus, with movement and travel restrictions being reinstated after periods of relaxation. Such restrictions have adversely affected many businesses including parts of the division. The uncertainty of economic recovery from the shock caused by Covid-19 and the prospect of a protracted 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 the division is hopeful that new projects and initiatives requiring its 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 do not improve quickly or significantly enough. Some managed service contracts of the division which are impacted by government restrictions or directives arising from Covid-19 policy measures, may meanwhile continue to show weaker performance.

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

16. Prospects (Continued)

Information & Communications Technology (Continued)

At Captii Ventures, the division's venture investment business, the climate for business development and funding has improved somewhat but continues to be challenging for certain start-ups in industries or business areas that continue to be severely impacted by Covid-19 related restrictions. Other than working to deliver a positive outcome from investments that have regrettably been subject to litigation, namely the resolution of the case involving our investee and associate, OOPA Pte Ltd, the priority at Captii Ventures for the remainder of the financial year is to undertake investment management activities that can preserve if not further improve the value of our 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-related developments on division's financial performance. The division continues to take an active and measured approach to managing risks to protect its people and assets, and will sustain these efforts until the pandemic truly resolves.

Property Development & Investment

The property development & investment division has obtained development approvals for Phase 2 of the Federal Park project and the Sejijak project. In view of the pandemic crisis, Phase 2 of the Federal Park project comprising 116 residential houses is expected to be launched in first half of 2022. This will be followed by the launching of the Sejijak project comprising 208 units of residential houses in the last quarter of year 2022.

The financial performance of the division in fiscal 2021 will also be complemented by sale of the remaining units of single-storey detached houses in Taman Sri Matang, Kuching and the shophouses under Phase 1 of the Federal Park Project although demand for shophouses is expected to be weak.

Once development works for both Jalan Sejijak and Federal Park projects commence, the division expects to be back on track on its earnings.

As a reputable niche player, the division will remain focused on its target market segment of medium to medium-low properties. Although the division expects the property market in Kuching to remain soft coupled with stringent financing requirements, with the right pricing and affordability for its development properties, the division is confident of the marketability of its properties to provide a steady income stream.

In fiscal 2020, the division commenced renovation of the two investment properties, Synergy 9 in Temasya Glenmarie, Selangor and Yap Ah Shak House in Kuala Lumpur, in which it has a 70% equity interest. Synergy 9 has been occupied by the Group to house the Company's corporate office and the operational headquarters of some Group subsidiaries. This investment property will generate recurring income for the division from fiscal 2021 onwards.

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

16. Prospects (Continued)

Property Development & Investment (Continued)

Yap Ah Shak House in Kuala Lumpur meanwhile, has been renovated and refurbished in 2021 to a high- quality mixed-use property comprising serviced- offices, meeting facilities, an event-space as well as two floors of food and beverage operation. This property is expected to be operational in the third quarter of 2021 and is expected to undergo a more protracted ramp-up period post-opening while the economic impact of and uncertainty brought about by the Covid-19 pandemic continues to linger.

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 and the division's performance in financial year 2021 depends very much on the easing of travel restrictions and pattern of travel due to Covid-19 pandemic. 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 outbreak in fiscal 2020 brought significant economic uncertainty in Malaysia and the markets in which Paydee Sdn Bhd, our card and payment services business, and Qurex Sdn Bhd ("Qurex"), a money services business, operate.

This division has been working closely with various new strategic partners to launch new payment services including e-commerce and new payment terminal solutions of its own to better address market needs and opportunities. The division is cautiously optimistic that the new product roadmap and business strategies will deliver positive results for the division in the coming years.

The outlook for Qurex in fiscal 2021 remains negative, with international business travel expected to remain constrained and significantly depressed. This division will continue to practise cost discipline while exploring opportunities to generate new sources of sustainable business.

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

16. Prospects (Continued)

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.

Once the testing and certification for Aviva bus body are 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 2021.

Operations at our education unit continue to be adversely impacted by the Covid-19 pandemic and consequential movement control restrictions. The unit remains cautiously optimistic with improvements in enrolment later in the year although any sustained recovery is not to be expected before 2022. However, in view of the continued uncertainty due to the Covid-19 pandemic, our education unit is exploring other avenues of revenue through its new value strategy within the digital education ecosystem.

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.

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

19. Income tax expense

	3 months ended <u>30.06.2021</u> RM'000	Year-to-date ended <u>30.06.2021</u> RM'000
On current quarter results		
- Corporate income tax	(575)	(1,137)

The effective income tax rate of the Group for the current quarter and year-to-date ended 30 June 2021 are 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 7 May 2021 that the below-mentioned direct or indirect subsidiaries of Alangka-Suka Hotels & Resorts Sdn Bhd (“ASHR”), a wholly-owned subsidiary of the Company, had on 7 May 2021 entered into the following agreements with Holiday Villa Hotels and Resorts Sdn Bhd (“HVHR”) and/or Holiday Villas Hotels and Resorts Limited (“HVHRL”) for disposal of management services agreements, licensing agreements and trademarks of ASHR Group (“Proposed Disposal”) on “willing-buyer willing-seller” basis:-

- Antara Holiday Villas Sdn Bhd, Holiday Villas International Limited and Holiday Villa Middle East Limited each entered into an agreement relating to the transfer of their respective contracts and/or trademarks and CHV entered into an agreement relating to the transfer of its trademarks, with HVHR or HVHRL (collectively referred to as “Agreements”) for total cash consideration of RM7.0 million only, subject to the terms and conditions as stipulated in the Agreements. Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed before the end of 2021 as announced by the Company on 10 May 2021.

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 30 June 2021 is as follows:

	Proposed Utilisation GBP'000	Utilisation to-date GBP'000	Balance unutilised GBP'000	Intended timeframe for Utilisation from 18.07.2019	Extended timeframe for Utilisation
Refurbishment of hotels and working capital	3,000	385	2,615	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>2,130</u>	<u>2,620</u>		

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

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 30 June 2021 is as follows:

	Proposed Utilisation RM'000	Utilisation to-date RM'000	Balance unutilised RM'000	Intended timeframe for Utilisation from 08.11.2019	Extended timeframe for Utilisation
Repayment of borrowings	61,340	61,336	4	Within 3 months	-
Working capital of the Group	51,900	31,688	20,212	Within 12 months	Additional 24 months
Expenses for the disposal	10,760	10,760	-	Within 3 months	-
	<u>124,000</u>	<u>103,784</u>	<u>20,216</u>		

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 30 June 2021 is as follows:

	Proposed Utilisation CHF'000	Utilisation to-date CHF'000	Balance unutilised CHF'000	Intended timeframe for Utilisation from 04.12.2020
Working capital of the Group	5,300	678	4,622	Within 24 months
Expenses for the disposal	650	650	-	Within 12 months
	<u>5,950</u>	<u>1,328</u>	<u>4,622</u>	

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

24. Group borrowings

Details of the borrowings by the Group are as follows:

	As at <u>30.06.2021</u> RM'000	As at <u>31.12.2020</u> RM'000
Short term - secured		
- Term loans	4,623	5,757
- Bank overdraft	226	354
- Revolving credit	27,000	13,000
	<u>31,849</u>	<u>19,111</u>
Long term - secured		
- Term loans	65,015	38,347
	<u>65,015</u>	<u>38,347</u>
Total borrowings	<u>96,864</u>	<u>57,458</u>

25. 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.

26. 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)

27. Notes To The Statement of Comprehensive Income

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

	6 months ended <u>30.06.2021</u> RM'000	6 months ended <u>30.06.2020</u> RM'000
Amortisation of intangible assets	(535)	(655)
Bad debts written off	-	(2)
Depreciation	(7,224)	(7,220)
Dividend received	23	-
Fair value change in unquoted investment securities	275	(7,234)
Fair value change in held for trading investments	(1,152)	-
Impairment loss on:		
- property, plant and equipment	-	(15)
Interest expenses	(3,621)	(2,441)
Interest income	656	1,067
Net gain/(loss) on disposal of:		
- property, plant and equipment	-	1
- unquoted investment securities	(430)	-
- held for trading investments	597	-
Net unrealised loss on foreign exchange	(603)	(1,056)
Property, plant and equipment written off	(9)	(539)
Provision for retirement benefits plan	(40)	(159)

28. Dividend

A single tier dividend in respect of the financial year ended 31 December 2020 was paid on 18 August 2021 as approved by the shareholders of the Company at the Annual General Meeting held on 30 June 2021.

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

29. 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 RM8,287,000 and RM16,883,000 respectively, 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:

	3 months ended		Year-to-date ended	
	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>30.06.2021</u>	<u>30.06.2020</u>
	No. of shares		No. of shares	
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>
	3 months ended		Year-to-date ended	
	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>30.06.2021</u>	<u>30.06.2020</u>
Basic loss per share (sen)	<u>(0.89)</u>	<u>(1.58)</u>	<u>(1.82)</u>	<u>(2.02)</u>

Diluted loss per share

	3 months ended		Year-to-date ended	
	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>30.06.2021</u>	<u>30.06.2020</u>
Diluted loss per share (sen)	<u>(0.89)</u>	<u>(1.58)</u>	<u>(1.82)</u>	<u>(2.02)</u>

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.

30. Status of E-commerce activities

Not applicable.

BY ORDER OF THE BOARD
ADVANCE SYNERGY BERHAD

HO TSAE FENG
Company Secretary
25 August 2021