COMPANY ANNOUNCEMENT
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND PERIOD ENDED 30 JUNE 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 30 June 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

	3 months ended		Year-to-date 6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Revenue	50,272	24,238	89,231	47,952
Cost of sales	(35,790)	(14,117)	(62,990)	(28,063)
Gross profit	14,482	10,121	26,241	19,889
Other operating income	1,417	363	3,175	3,020
Operating expenses	(20,867)	(15,843)	(38,836)	(34,732)
Profit/(Loss) from operations	(4,968)	(5,359)	(9,420)	(11,823)
Finance costs	(2,401)	(2,073)	(4,166)	(3,621)
Share of results of associates and joint venture	111	35	112	55
Profit/(Loss) before tax	(7,258)	(7,397)	(13,474)	(15,389)
Income tax expense	(343)	(575)	(710)	(1,137)
Net profit/(loss) for the financial period	(7,601)	(7,972)	(14,184)	(16,526)
Attributable to:				
Owners of the parent	(5,781)	(8,287)	(12,721)	(16,883)
Non-controlling interests	(1,820)	315	(1,463)	357
	(7,601)	(7,972)	(14,184)	(16,526)
Loss per share attributable to owners of the parent:				
Basic (sen)	(0.62)	(0.89)	(1.37)	(1.82)
Diluted (sen)	(0.62)	(0.89)	(1.37)	(1.82)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		Year-to-date 6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Net profit/(loss) for the financial period	(7,601)	(7,972)	(14,184)	(16,526)
Other comprehensive income/(expenses):				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	2,965	2,589	2,381	(829)
Total items that may be reclassified subsequently to profit or loss	2,965	2,589	2,381	(829)
Items that will not be reclassified subsequently to profit or loss:				
Fair value through other comprehensive income financial assets	(965)	2,693	723	3,215
Total items that will not be reclassified subsequently to profit or loss	(965)	2,693	723	3,215
Other comprehensive income/(loss) for the financial period	2,000	5,282	3,104	2,386
Total comprehensive income/(loss) for the financial period	(5,601)	(2,690)	(11,080)	(14,140)
Attributable to:				
Owners of the parent	(5,735)	(2,751)	(11,375)	(14,639)
Non-controlling interests	134	61	295	499
Total comprehensive income/(loss) for the financial period	(5,601)	(2,690)	(11,080)	(14,140)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30.06.2022 RM'000	Audited as at 31.12.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	277,709	243,305
Right-of-use assets	39,472	41,416
Investment properties	18,630	18,630
Investment in associates and joint venture	3,971	3,858
Investment securities	106,543	106,306
Goodwill	87,619	87,619
Intangible assets	2,420	2,330
Deferred tax assets	5,209	5,189
Inventories	4,635	4,634
	546,208	513,287
Current assets		
Inventories	36,644	37,295
Receivables, prepayments and contract assets	91,118	89,210
Current tax assets	2,469	2,662
Investment securities	2,829	4,189
Financial assets held for trading	14	-
Short term deposits	58,197	59,408
Cash and bank balances	54,503	67,285
	245,774	260,049
TOTAL ASSETS	791,982	773,336
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	381,377	381,377
Reserves	60,758	71,972
	442,135	453,349
Non-controlling interests	83,185	83,837
Total equity	525,320	537,186
Non-current liabilities		
Borrowings	93,740	61,631
Lease liabilities	43,510	45,069
Payables	8,547	8,945
Deferred tax liabilities	3,973	4,358
Provision for retirement benefit obligations	1,406	1,413
	151,176	121,416
Current liabilities		
Payables and contract liabilities	60,358	62,260
Borrowings	46,777	43,719
Lease liabilities	6,743	7,058
Current tax liabilities	1,608	1,697
	115,486	114,734
Total Liabilities	266,662	236,150
TOTAL EQUITY AND LIABILITIES	791,982	773,336

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2022

	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 2022	381,377	17,164	11,894	(712)	43,626	453,349	83,837	537,186
Net profit/(loss) for the financial period	-	-	-	-	(12,721)	(12,721)	(1,463)	(14,184)
Fair value of financial assets through other comprehensive income	-	-	-	723	-	723	-	723
Foreign currency translation differences for foreign operations	-	-	623	-	-	623	1,758	2,381
Total comprehensive income/(loss) the financial period	-	-	623	723	(12,721)	(11,375)	295	(11,080)
Transactions with owners								
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	(735)	(735)
Acquisition of additional interest in a subsidiary	-	-	-	-	161	161	(212)	(51)
	-	-	-	-	161	161	(947)	(786)
Balance as at 30 June 2022	381,377	17,164	12,517	11	31,066	442,135	83,185	525,320

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2022 (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 2021	381,377	15,614	12,766	(3,537)	46,498	452,718	70,266	522,984
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 interests of a subsidiary	-	-	-	-	-	-	(490)	(490)
	-	-	-	-	-	-	(490)	(490)
Balance as at 30 June 2021	381,377	15,614	11,795	(322)	29,615	438,079	70,275	508,354

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2022

	6 months ended 30.06.2022 RM'000	6 months ended 30.06.2021 RM'000
Cash flows from operating activities		
Loss before tax	(13,474)	(15,389)
Adjustments for:-		
Non-cash items	9,169	9,066
Other investing and financing items	3,526	2,942
Operating loss before working capital changes	(779)	(3,381)
Changes in working capital		
Inventories	650	(414)
Receivables	(2,243)	(537)
Financial assets held for trading	(14)	8
Payables	(2,084)	1,897
Net cash used in operations	(4,470)	(2,427)
Retirement benefits paid	(67)	-
Net tax paid	(1,009)	(4,887)
Net cash used in operating activities	(5,546)	(7,314)
Cash flows from investing activities		
Acquisition of additional interest in a subsidiary	(51)	-
Acquisition of quoted investment securities	(153)	(1,365)
Acquisition of unquoted investment securities	(116)	(630)
Addition of intangible assets	(556)	(377)
Addition of investment properties	-	(1,509)
Interest received	611	656
Dividend received	29	23
Proceeds from disposal of quoted investment securities	620	101
Proceeds from disposal of unquoted investment securities	4,773	1,290
Proceeds from disposal of property, plant and equipment	22	-
Proceeds from disposal of hotel management services	400	-
Purchase of property, plant and equipment	(43,096)	(2,446)
Withdrawal/(Placement) of pledged deposits	491	(67)
Net cash used in investing activities	(37,026)	(4,324)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2022 (Continued)

	6 months ended 30.06.2022 RM'000	6 months ended 30.06.2021 RM'000
Cash flows from financing activities		
Dividend paid to non-controlling interests of a subsidiary	(735)	(490)
Drawdown of borrowings	38,313	42,115
Interest paid	(4,166)	(3,621)
Repayment of borrowings	(2,613)	(2,580)
Repayment of lease liabilities	(3,639)	(1,701)
Net cash generated from financing activities	27,160	33,723
Effect of exchange rate changes	1,127	(5,932)
Net (decrease)/increase in cash and cash equivalents	(14,285)	16,153
Cash and cash equivalents as at beginning of the financial period		
As previously reported	96,472	86,959
Effect of exchange rate changes	1,021	551
As restated	97,493	87,510
Cash and cash equivalents as at end of the financial period #	83,208	103,663
# Cash and cash equivalents at the end of the financial period comprising the following:		
Short term deposits	58,197	76,752
Cash and bank balances	54,503	60,908
Bank overdrafts	-	(226)
	112,700	137,434
Less: Deposits placed with lease payables as security deposit for lease payments	(9,521)	(13,561)
Cash held under Housing Development Accounts	(373)	(668)
Deposits pledged to licensed banks	(19,598)	(19,542)
	(29,492)	(33,771)
	83,208	103,663

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"):

<u>Amendments/ Improvements to MFRSs</u>

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:

		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 2023#
MFRS 3	Business Combinations	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#

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
Amendments/Improvements to MFRSs (Continued)		
MFRS 9	Financial Instruments	1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
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 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	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 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 140	Investment Property	1 January 2023#

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 30 June 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 30 June 2022.

8. Dividends paid

There was no dividend paid during the financial period ended 30 June 2022.

9. Segmental Information

For the financial period ended 30 June 2022

	Investment Holding	Information & Communications Technology	Property Development & Investment	Travel & Tours	Financial Services	Others	Elimina-tions	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
External	134	33,605	13,293	34,775	1,880	5,544	-	89,231
Inter-segment	1,807	-	832	7	-	-	(2,646)	-
Total revenue	1,941	33,605	14,125	34,782	1,880	5,544	(2,646)	89,231
Results								
Segment results	(6,188)	4,156	(8,058)	706	(2,716)	(1,582)	96	(13,586)
Share of results of associates and joint venture	113	-	(1)	-	-	-	-	112
Profit/(Loss) before tax	(6,075)	4,156	(8,059)	706	(2,716)	(1,582)	96	(13,474)
Income tax expense								(710)
Net profit/(loss) for the financial period								(14,184)
Non-controlling interests								1,463
Net profit/(loss) for the financial period attributable to owners of the parent								(12,721)

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

9. Segmental Information (Continued)

For the financial period ended 30 June 2022 (Continued)

	Investment Holding	Information & Communications Technology	Property Development & Investment	Travel & Tours	Financial Services	Others	Elimina-tions	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other information								
Segment assets	57,410	232,638	428,729	15,879	19,157	26,521	-	780,334
Investment in associates and joint venture	3,864	-	107	-	-	-	-	3,971
Unallocated corporate assets								7,677
Total assets								791,982
Segment liabilities	5,374	12,598	214,454	8,164	7,531	12,959	-	261,080
Unallocated corporate liabilities								5,582
Total liabilities								266,662
Capital expenditure:								
- Property, plant & equipment	5	366	42,636	-	20	69	-	43,096
- Software development expenditure	-	556	-	-	-	-	-	556

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

9. Segmental Information (Continued)

For the financial period ended 30 June 2021

	Investment Holding	Information & Communications Technology	Property Development & Investment	Travel & Tours	Financial Services	Others	Elimina-tions	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
External	133	33,628	8,077	4,292	922	900	-	47,952
Inter-segment	1,328	-	849	-	-	-	(2,177)	-
Total revenue	1,461	33,628	8,926	4,292	922	900	(2,177)	47,952
Results								
Segment results	(3,527)	4,237	(9,923)	(726)	(2,482)	(3,023)	-	(15,444)
Share of results of associates and joint venture	62	-	(7)	-	-	-	-	55
Profit/(Loss) before tax	(3,465)	4,237	(9,930)	(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	Information & Communications Technology	Property Development & Investment	Travel & Tours	Financial Services	Others	Elimina-tions	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other information								
Segment assets	62,727	187,621	408,731	10,777	20,281	21,369	-	711,506
Investment in associates and joint venture	12,701	-	111	-	-	-	-	12,812
Unallocated corporate assets								7,359
Total assets								731,677
Segment liabilities	6,193	16,994	180,312	2,468	6,242	5,682	-	217,891
Unallocated corporate liabilities								5,432
Total liabilities								223,323
Capital expenditure:								
- Property, plant & equipment	2	274	1,369	-	690	111	-	2,446
- Software development expenditure	-	371	-	-	-	6	-	377

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 30 June 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. On 8 June 2022, the total issued share capital of JBSB has increased to RM2,000,100.00.

(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 . Builderworks Pty Ltd was deregistered on 5 March 2022 and Home Cinema Studio Pty Ltd was deregistered on 1 June 2022.

(c) On 17 June 2022, Alangka-Suka Hotels & Resorts Sdn Bhd ("ASHR"), a direct wholly-owned subsidiary of the Company, acquired 9,481 shares representing 94.81% equity interest in PT Diwangkara Holiday Villa Bali ("PTDHV") for a total consideration of Rp2,370,250,000.00 (equivalent to USD174,469.00 or RM768,099.77) from Alangka-Suka International Limited, its direct wholly-owned subsidiary which is in turn an indirect wholly-owned subsidiary of the Company.

On the same day, Antara Holiday Villas Sdn Bhd ("AHVSB"), an indirect wholly-owned subsidiary of the Company, acquired 519 shares representing the remaining 5.19% equity interest in PTDHV for a total consideration of Rp129,750,000 (equivalent to USD11,541.50 or RM50,684.82) from Mr Triadi Putranto Suwondo.

Accordingly, PTDHV became an indirect wholly-owned subsidiary of the Company on 17 June 2022.

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.

14. Review of performance

	Year-to-date 6 months ended		Changes	
	30.06.2022	30.06.2021		
	RM'000	RM'000	RM'000	%
Revenue	89,231	47,952	41,279	86.1
Profit/(Loss) from operations	(9,420)	(11,823)	2,403	20.3
Profit/(Loss) before tax	(13,474)	(15,389)	1,915	12.4
Net profit/(loss) for the financial period	(14,184)	(16,526)	2,342	14.2
Net profit/(loss) for the financial period attributable to the Owners of the Parent	(12,721)	(16,883)	4,162	24.7

Overall performance

For the current 6-month period ended 30 June 2022 ("6M 2022"), with the relaxation of movement control order ("MCO") restrictions, the Group recorded higher revenue of RM89.2 million compared to RM48.0 million in the corresponding period last year ended 30 June 2021 ("6M 2021"), an increase in revenue of RM41.3 million or 86.1%. All divisions, except for ICT, reported higher revenue in 6M 2022 compared to 6M 2021.

Operating expenses increased by approximately RM4.1 million from RM34.7 million in 6M 2021 to RM38.8 million in 6M 2022 mainly due to higher administrative expenses incurred in 6M 2022.

With the higher revenue partly offset by higher operating expenses and finance cost, the Group recorded lower loss before tax of RM13.5 million in 6M 2022 compared to loss before tax of RM15.4 million in 6M 2021, an improvement of RM1.9 million.

Investment Holding

In 6M 2022, the division recorded higher revenue of RM1.9 million compared to the revenue of RM1.5 million in 6M 2021. The higher revenue was mainly attributable to higher intercompany management fee charged which had no impact to the Group's revenue. The division reported higher loss before tax of RM6.1 million in 6M 2022 compared to loss of RM3.5 million in 6M 2021 mainly due to lower fair value gain assessed on the venture investment portfolio investment securities, a nominal amount recorded in 6M 2022 as opposed to the fair value gain of RM1.0 million in 6M 2021, coupled with higher administrative expenses in 6M 2022 compared to 6M 2021.

14. Review of performance (Continued)

Information & Communications Technology

The division recorded lower revenue of Singapore Dollars ("SGD") 10.7 million in 6M 2022 compared to SGD10.9 million in 6M 2021, a slight decrease in revenue of approximately 2%. 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 6M 2022 compared to 6M 2021, the translation of revenue into the reporting currency in RM has resulted in comparable revenue of RM33.6 million in both 6M 2022 and 6M 2021.

The division recorded slightly lower profit before tax of RM4.16 million in 6M 2022 compared to RM4.24 million in 6M 2021 mainly due to the flow-down effects of the lower gross profit margin mitigated by lower net total expenses recorded in 6M 2022. The decrease in gross profit margin from 50.2% in 6M 2021 to 48.2% in 6M 2022 was mainly attributable to lower proportionate contribution of managed service contract revenues by Unifiecomms BU, which generally yield higher gross profit margin as a result of its typically lower third party costs. The lower net total expenses were mainly due to lower fair value loss assessed on the venture investment portfolio of RM0.06 million in 6M 2022 compared to fair value loss of RM0.73 million in 6M 2021.

Property Development & Investment

The division recorded revenue of RM14.1 million in 6M 2022, higher compared to the revenue of RM8.9 million recorded in 6M 2021 mainly contributed by higher revenue from the property investment unit. Overall, the division recorded lower loss before tax of RM8.1 million in 6M 2022 compared to loss of RM9.9 million in 6M 2021.

<u>Development</u>
During the current period under review, the property development unit, Advance Synergy Realty Sdn Bhd ("ASR"), recorded no revenue for 6M 2022 compared to RM2.1 million in 6M 2021 as all units of Taman Sri Matang project were sold in 2021. This has resulted in higher loss before tax of RM0.9 million in 6M 2022 compared to loss of RM0.4 million in 6M 2021.

<u>Investment</u>
Overall, the property investment unit recorded better performance in 6M 2022 compared to 6M 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 movement control restrictions by the Malaysian government Our hospitality unit recorded a significant improvement in revenue from RM5.4 million in 6M 2021 to RM11.0 million in 6M 2022, an increase of approximately RM5.6 million or 103.7%, coupled with the increase in revenue from the F&B business of RM1.6 million. The flow-down effect of higher revenue resulted in a lower losses for these businesses.

14. Review of performance (Continued)

Property Development & Investment (Continued)

Investment (Continued)
Hospitality unit recorded a lower loss before tax of RM4.9 milion in 6M 2022 compared to a loss before tax of RM8.7 million in 6M 2021 arising from improvement in average room rate and average occupancy rate of all operating hotels. The F&B business by OGSB recorded a profit before tax in the period under review compared to a loss before tax in the corresponding period last year. Our investment property, Yap Ah Shak House, commenced operations in Q1 2022 with a loss of RM0.7 million in 6M 2022 compared to the loss of RM0.3 million in 6M 2021. The financial results of another investment property, Synergy 9, has no significant impact on the Group results as the property is being occupied by the Group.

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 6M 2022 of RM34.8 million compared to RM4.3 million in 6M 2021, an increase in revenue of RM30.5 million or approximately 709.3%. The division recorded profit before tax of RM0.7 million in 6M 2022 compared to loss before tax of RM0.7 in 6M 2021.

Financial Services

Financial Services division recorded higher revenue of RM1.9 million in 6M 2022 compared to RM0.9 million in 6M 2021. Despite the higher revenue, the division recorded higher loss before tax of RM2.7 million in 6M 2022 compared to loss of RM2.5 million in 6M 2021 mainly due to higher operating expenses in 6M 2022 compared to 6M 2021.

Others

The Others division registered higher revenue of RM5.5 million in 6M 2022 compared to the revenue of RM0.9 million for 6M 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. This division recorded lower loss before tax of RM1.6 million in the period under review compared to the corresponding period last year of RM3.0 million. The bus-body fabrication unit recorded lower loss before tax of RM1.3 million in 6M 2022 compared to loss before tax of RM2.6 million in 6M 2021 mainly attributable to the flow down effect of higher revenue. Revenue for the education unit remained flat with loss before tax of RM0.3 million in 6M 2022 compared to loss before tax of RM0.5 million in 6M 2021.

15. Comparison of results with immediate preceding quarter

	Quarter 3 months ended 30.06.2022 RM'000	Quarter 3 months ended 31.03.2022 RM'000	Changes RM'000	Changes %
Revenue	50,272	38,959	11,313	29.0
Profit/(Loss) from operations	(4,968)	(4,452)	(516)	(11.6)
Profit/(Loss) before tax	(7,258)	(6,216)	(1,042)	(16.8)
Net profit/(loss) for the financial period	(7,601)	(6,583)	(1,018)	(15.5)
Net profit/(loss) for the financial period attributable to the Owners of the Parent	(5,781)	(6,940)	1,159	16.7

Overall performance

The Group recorded higher revenue of RM50.3 million for current quarter ended 30 June 2022 ("Q2 2022") compared to the revenue of RM39.0 million in the immediate preceding quarter ended 31 March 2022 ("Q1 2022").

The flow-down effect of higher revenue was offset by the higher operating expenses and finance costs compared to Q1 2022 resulting in the Group recording higher loss before tax of RM7.3 million in Q2 2022 compared to loss of RM6.2 million in Q1 2022.

Investment Holding

The division reported higher revenue of RM1.2 million in Q2 2022 compared to the revenue of RM0.8 million in Q1 2022 mainly attributable to higher intercompany management fee charged which had no impact to the Group's revenue. Despite the higher revenue, the division recorded higher loss before tax of RM3.3 million in Q2 2022 compared to loss of RM2.8 million in Q1 2022 mainly attributable to the higher foreign exchange loss in Q2 2022 compared to Q1 2022.

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

Overall performance (Continued)

Information & Communications Technology

The division registered slightly higher revenue of RM17.0 million in Q2 2022 compared to RM16.6 million in Q1 2022. With the higher revenue and higher gross profit margin compared to Q1 2022, partly offset by fair value loss assessed on the venture investment portfolio of RM0.5 million in Q2 2022 compared to fair value gain of RM0.4 million in Q1 2022, the division recorded a comparable profit before tax of RM2.2 million in Q2 2022 compared to profit of 2.0 million in Q1 2022.

Property Development & Investment

The division recorded higher revenue of RM8.7 million Q2 2022 compared to revenue of RM5.5 million recorded in the previous quarter. The bulk of the revenue was contributed by the hospitality business which recorded revenue of RM6.9 million in Q2 2022 compared to RM4.1 million in Q1 2022.

In the quarter under review, the division recorded a loss before tax of RM4.6 million compared to a loss of RM3.5 million in the previous quarter. The higher loss recorded in Q2 2022 compared to Q1 2022 was mainly attributable to higher expenses in Q2 2022.

<u>Development</u>
The property development unit registered comparable loss before tax in both Q2 2022 and Q1 2022 as the unit did not launch any property development project in these two quarters.

<u>Investment</u>
Despite the higher revenue of RM8.7 million in Q2 2022 compared to RM5.5 million in Q1 2022, the investment unit recorded higher loss before tax of RM4.0 million in Q2 2022 compared to a loss of RM3.2 million in Q1 2022 mainly attributable to higher expenses in Q2 2022.

With further relaxation in travel restrictions, the hospitality unit recorded improved revenue in Q2 2022 compared to the previous quarter whereby revenue increased by RM2.9 million, from RM4.1 million in Q1 2022 to RM6.9 million in Q2 2022. The positive impact of revenue resulted in lower loss before tax for the hospitality unit of RM2.2 million in Q2 2022 compared to loss before tax of RM2.8 million in Q1 2022. Our F&B unit operated by OGSB also showed improved revenue in the quarter under review from the previous quarter resulting in profit before tax in Q2 2022 compared to a loss before tax in Q1 2022. Yap Ah Shak property which commenced operations in Q1 2022 recorded higher loss in Q2 2022 compared to the previous quarter as operating costs increased.

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

Travel & Tours

The division recorded higher revenue of RM20.9 million in Q2 2022 compared to the revenue of RM13.9 million in Q1 2022 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 RM0.4 million in Q2 2022 compared to profit before tax of RM0.3 million in the preceding quarter.

Financial Services

The Financial Services division comprising the card & payment services and money services units recorded higher revenue of RM1.1 million in Q2 2022 compared to RM0.7 million Q1 2022 with the easing of the restriction in Q1 2022. Despite the higher revenue, higher loss before tax was recorded in Q2 2022 of RM1.4 million compared to loss before tax of RM1.3 million in the preceding quarter mainly attributable to higher operating expenses in the current quarter.

Others

The Others division recorded slightly higher revenue of RM2.9 million in Q2 2022 compared to RM2.6 million in Q1 2022 mainly attributable to the higher number of buses exported by the bus-body fabrication unit whilst revenue of the education unit remained nominal in the first two quarters of 2022. With the higher revenue, the division reported lower loss before tax of RM0.6 million in Q2 2022 compared to loss before tax of RM1.0 million in Q1 2022.

16. Prospects

As we enter the third quarter of fiscal 2022, the country is in the transition to endemic phase from the coronavirus (“COVID-19”) pandemic stage which will augur well to facilitate the gradual recovery of the 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 minds of management when considering the outlook for the remainder of the financial year.

16. Prospects (Continued)

Information & Communications Technology (Continued)

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 is 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$1.5 million 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 financial performance of the division. The division continues to take an active and measured approach to managing risks to protect the division's people and assets, and will sustain these efforts until the effects of the lingering pandemic abate.

Property Development & Investment

<u>Development</u>
Advance Synergy Realty Sdn Bhd ("ASR") commenced the development works for Phase 2 of Federal Park project which comprises 88 units of double storey terrace houses and 28 units of single storey terrace houses in July 2022. With an anticipated gross development value in excess of RM44 million, Phase 2 of the Federal Park project is expected to contribute positively towards the earnings of the property development unit.

16. Prospects (Continued)

Property Development & Investment (Continued)

Development (Continued)

This will be followed by the launching of the Sejijak project comprising 88 units of double storey terrace houses, 80 units of townhouses and 40 units of single terrace houses with an estimated gross development value of RM67 million. With these two new projects generating a total gross development value in excess of RM110 million, the property development unit is expected to on track towards profitability.

Although the development unit expects the property market in Kuching to remain soft due to the negative impact of the pandemic crisis and stringent financing requirements in Year 2022, with the right pricing and affordability for its development properties, the unit is confident of the marketability of Phase 2 of Federal Park project and Sejijak project which comprise 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 developers 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 two 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. Both hotels performed remarkably well in the first half of 2022 against the same period in the previous year. The renovation of our aparthotel in Earls Court, London is expected to be completed in the fourth quarter 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.

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.

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.

The education unit, The Language House (“TLH”), continues to focus on becoming an education content provider within the digital ecosystem and strengthening our courses. With normalcy returning, TLH is working at bolstering recruitment of students, both local and foreign, through collaboration with education recruitment partners.

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

	3 months ended 30.06.2022 RM'000	Year-to-date ended 30.06.2022 RM'000
On current quarter results		
- Corporate income tax	(343)	(710)

The effective income tax rate of the Group for the current quarter and year-to-date ended 30 June 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) On 8 August 2019, the Company announced 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) On 6 November 2020, the Company announced 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 JalanTuanku 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.

20. Status of corporate proposals (Continued)

(c) On 11 March 2022, it was announced 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.

20. Status of corporate proposals (Continued)

(c) On 11 March 2022, it was announced that the Company is proposing to undertake the following proposals (Continued):

Bursa Securities had vide its letter dated 19 May 2022 resolved to approve the listing of and quotation for the new ASB Shares to be issued pursuant to the Proposed Rights Issue and Proposed SGS on the Main Market of Bursa Securities.

Securities Commission had vide its letter dated 17 June 2022, notified that it has no further comments to the contents of the Circular to Shareholders in relation to the Proposed Exemption.

All the relevant resolutions pertaining to the Proposals had been approved by the shareholders of the Company at the EGM held on 29 July 2022.

The application to Securities Commission for the Proposed Exemption was approved on 12 August 2022.

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 ("Helenium") by Synergy Realty Incorporated, an indirect wholly-owned subsidiary of the Company, as at 30 June 2022 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	3,000		-	Within 12 months	Additional 24 months
Operating expenses of the Group	1,600	1,605	*	-	Within 12 months	-
Expenses for the disposal	150	145	*	-	Within 12 months	-
	4,750	4,750		-		

* The remaining amount of GBP5,000 which was not utilised for expenses in relation to the disposal was utilised for operating expenses of the Group.

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 2022 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	39,146	12,754	Within 12 months	Additional 24 months
Expenses for the disposal	10,760	10,760	-	Within 3 months	-
	124,000	111,242	12,758		

23. Utilisation of proceeds from disposal of Arosa Land

The status of utilisation of proceeds raised from the disposal of a land in Arosa ("Arosa Land"), by Posthotel Arosa AG, an indirect 65%-owned subsidiary of the Company, as at 30 June 2022 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	4,510	790	Within 24 months
Expenses for the disposal	650	650	-	Within 12 months
	5,950	5,160	790	

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 30 June 2022 is as follows:

	Proposed Utilisation RM'000	Utilisation to-date RM'000	Balance unutilised RM'000	Intended timeframe for Utilisation from 03.12.2021
Working capital of the Group	6,844	5,244	1,600	Proceeds of RM4.4844 million - Within 24 months Proceeds of RM200,000 per quarter totaling RM2.0 million for Remaining Balance - Within 3 months from the receipt of the quarterly payment
Expenses for the disposal	156	143	13	Within 12 months
	7,000	5,387	1,613	

25. Group borrowings

Details of the borrowings by the Group are as follows:

	As at 30.06.2022 RM'000	As at 31.12.2021 RM'000
Short term - secured		
- Term loans	6,777	4,881
- Bank overdraft	-	238
- Revolving credit	40,000	38,600
	46,777	43,719
Long term - secured		
- Term loans	93,740	61,631
	93,740	61,631
Total borrowings	140,517	105,350

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.

28. Notes To The Statement of Comprehensive Income

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

	6 months ended 30.06.2022 RM'000	**6 months ended 30.06.2021 RM'000**
Amortisation of intangible assets	(411)	(535)
Depreciation	(7,726)	(7,224)
Dividend received	29	23
Fair value change in unquoted investment securities	(54)	275
Fair value change in quoted investment securities	(745)	(1,152)
Interest expenses	(4,166)	(3,621)
Interest income	611	656
Net gain/(loss) on disposal of:		
- property, plant and equipment	22	-
- unquoted investment securities	-	(430)
- quoted investment securities	(126)	597
Net unrealised loss on foreign exchange	(176)	(603)
Property, plant and equipment written off	(5)	(9)
Provision for retirement benefits plan	(61)	(40)

29. Dividend

A single tier dividend in respect of the financial year ended 31 December 2021 was paid on 18 August 2022 as approved by the shareholders of the Company at the Annual General Meeting held on 30 June 2022.

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 RM5,781,000 and RM12,721,000 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	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	No. of shares		No. of shares	
Issued / weighted average number of ordinary shares	929,194,943	929,194,943	929,194,943	929,194,943

	3 months ended		Year-to-date ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Basic loss per share (sen)	(0.62)	(0.89)	(1.37)	(1.82)

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.

	3 months ended		Year-to-date ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Diluted loss per share (sen)	(0.62)	(0.89)	(1.37)	(1.82)

31. Status of E-commerce activities

Not applicable.

BY ORDER OF THE BOARD
ADVANCE SYNERGY BERHAD

HO TSAE FENG
Company Secretary
24 August 2022