COMPANY ANNOUNCEMENT
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2023

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 September 2023.

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 financial year ended 31 December 2022.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		Year-to-date 9 months ended	
	30.09.2023	**30.09.2022**	**30.09.2023**	**30.09.2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	63,358	64,349	212,781	153,580
Cost of sales	(46,160)	(51,213)	(159,262)	(114,203)
Gross profit	17,198	13,136	53,519	39,377
Other operating income	3,339	2,559	6,520	5,734
Operating expenses	(22,390)	(18,633)	(65,212)	(57,469)
Profit/(Loss) from operations	(1,853)	(2,938)	(5,173)	(12,358)
Finance costs	(1,773)	(2,479)	(6,321)	(6,645)
Share of results of associates and joint venture	(2)	(5)	22	107
Profit/(Loss) before tax	(3,628)	(5,422)	(11,472)	(18,896)
Income tax expense	(673)	(1,397)	(1,200)	(2,107)
Net profit/(loss) for the financial period	(4,301)	(6,819)	(12,672)	(21,003)
Attributable to:				
Owners of the parent	(2,645)	(6,515)	(10,376)	(19,236)
Non-controlling interests	(1,656)	(304)	(2,296)	(1,767)
	(4,301)	(6,819)	(12,672)	(21,003)
Loss per share attributable to owners of the parent:				
Basic (sen)	(0.10)	(0.70)	(0.41)	(2.07)
Diluted (sen)	(0.10)	(0.70)	(0.41)	(2.07)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		Year-to-date 9 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) for the financial period	(4,301)	(6,819)	(12,672)	(21,003)
Other comprehensive income/(expenses):				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	(226)	5,508	5,807	7,889
Total items that may be reclassified subsequently to profit or loss	(226)	5,508	5,807	7,889
Items that will not be reclassified subsequently to profit or loss:				
Fair value gain/(loss) on equity instruments designated at fair value through other comprehensive income	2,934	(804)	1,367	(81)
Total items that will not be reclassified subsequently to profit or loss	2,934	(804)	1,367	(81)
Other comprehensive income/(loss) for the financial period	2,708	4,704	7,174	7,808
Total comprehensive income/(loss) for the financial period	(1,593)	(2,115)	(5,498)	(13,195)
Attributable to:				
Owners of the parent	(866)	(3,251)	(6,009)	(14,626)
Non-controlling interests	(727)	1,136	511	1,431
Total comprehensive income/(loss) for the financial period	(1,593)	(2,115)	(5,498)	(13,195)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30.09.2023 RM'000	Audited as at 31.12.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	258,597	250,182
Right-of-use assets	53,324	66,511
Investment properties	16,100	16,100
Investment in associates and joint venture	3,993	3,971
Investment securities	98,611	92,200
Goodwill	78,657	78,657
Intangible assets	2,786	2,526
Deferred tax assets	4,671	4,627
Inventories	4,698	4,635
	521,437	519,409
Current assets		
Inventories	47,721	35,989
Receivables, prepayments and contract assets	111,452	106,429
Current tax assets	1,349	2,287
Investment securities	2,402	2,532
Financial assets held for trading	19	22
Short term deposits	70,328	120,000
Cash and bank balances	53,807	55,103
	287,078	322,362
TOTAL ASSETS	808,515	841,771
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	461,377	461,377
Reserves	12,159	32,528
	473,536	493,905
Non-controlling interests	88,268	77,468
Total equity	561,804	571,373
Non-current liabilities		
Borrowings	86,153	90,116
Lease liabilities	27,816	38,539
Payables	7,062	8,526
Deferred tax liabilities	4,253	3,925
Provision for retirement benefit obligations	-	1,294
	125,284	142,400
Current liabilities		
Payables and contract liabilities	71,288	72,201
Borrowings	47,325	48,799
Lease liabilities	2,211	5,812
Current tax liabilities	603	1,186
	121,427	127,998
Total Liabilities	246,711	270,398
TOTAL EQUITY AND LIABILITIES	808,515	841,771

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Share Capital RM'000	Revaluation Reserve RM'000	Foreign Currency Translation Reserve RM'000	Fair Value Reserve RM'000	Retained Profits/ (Accumulated Losses) RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 January 2023	461,377	16,594	9,487	(793)	7,240	493,905	77,468	571,373
Net profit/(loss) for the financial period	-	-	-	-	(10,376)	(10,376)	(2,296)	(12,672)
Fair value gain/(loss) on equity instruments designated at fair value through other other comprehensive income	-	-	-	1,367	-	1,367	-	1,367
Crystalisation of revaluation reserve	-	(181)	-	-	181	-	-	-
Exchange differences on translation of foreign operations	-	-	3,000	-	-	3,000	2,807	5,807
Total comprehensive income/(loss) the financial period	-	(181)	3,000	1,367	(10,195)	(6,009)	511	(5,498)
Transactions with owners								
Dividend paid	-	-	-	-	(2,529)	(2,529)	-	(2,529)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	(1,542)	(1,542)
Acquisition of additional interest in a subsidiary	-	-	-	-	(11,831)	(11,831)	11,831	-
	-	-	-	-	(14,360)	(14,360)	10,289	(4,071)
Balance as at 30 September 2023	461,377	16,413	12,487	574	(17,315)	473,536	88,268	561,804
				-	-			

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2023 (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 2022	381,377	17,164	11,894	(712)	43,626	453,349	83,837	537,186
Net profit/(loss) for the financial period	-	-	-	-	(19,236)	(19,236)	(1,767)	(21,003)
Fair value gain/(loss) of equity instruments through other comprehensive income	-	-	-	(81)	-	(81)	-	(81)
Exchange differences on translation of foreign operations	-	-	4,691	-	-	4,691	3,198	7,889
Total comprehensive income/(loss) the financial period	-	-	4,691	(81)	(19,236)	(14,626)	1,431	(13,195)
Transactions with owners								
Dividend paid	-	-	-	-	(1,394)	(1,394)	-	(1,394)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	(1,753)	(1,753)
Acquisition of additional interest in a subsidiary	-	-	-	-	161	161	(211)	(50)
	-	-	-	-	(1,233)	(1,233)	(1,964)	(3,197)
Balance as at 30 September 2022	381,377	17,164	16,585	(793)	23,157	437,490	83,304	520,794

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	9 months ended 30.09.2023 RM'000	9 months ended 30.09.2022 RM'000
Cash flows from operating activities		
Loss before tax	(11,472)	(18,896)
Adjustments for:-		
Non-cash items	9,579	14,444
Other investing and financing items	4,115	5,677
Operating profit before working capital changes	2,222	1,225
Changes in working capital		
Inventories	(11,795)	(134)
Receivables	(5,864)	(16,524)
Financial assets held for trading	2	(53)
Payables	(1,315)	10,624
Net cash used in operations	(16,750)	(4,862)
Retirement benefits paid	(1,378)	(104)
Net tax paid	(560)	(1,986)
Net cash used in operating activities	(18,688)	(6,952)
Cash flows from investing activities		
Acquisition of additional interest in a subsidiary	-	(51)
Acquisition of quoted investment securities	-	(153)
Acquisition of unquoted investment securities	(450)	(158)
Addition of intangible assets	(862)	(842)
Interest received	2,162	921
Dividend received	44	47
Proceeds from disposal of quoted investment securities	-	620
Proceeds from disposal of unquoted investment securities	456	4,816
Proceeds from disposal of property, plant and equipment	140	22
Proceeds from disposal of hotel management services	600	400
Purchase of property, plant and equipment	(8,266)	(44,639)
(Placement)/Withdrawal of pledged deposits	(1,694)	211
Net cash used in investing activities	(7,870)	(38,806)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023 (Continued)

	9 months ended 30.09.2023 RM'000	9 months ended 30.09.2022 RM'000
Cash flows from financing activities		
Dividend paid	(2,529)	(1,394)
Dividend paid to non-controlling interests of a subsidiary	(1,542)	(1,753)
Drawdown of borrowings	1,261	38,202
Interest paid	(6,321)	(6,645)
Repayment of borrowings	(8,145)	(3,870)
Repayment of lease liabilities	(5,528)	(5,469)
Net cash (used in)/generated from financing activities	(22,804)	19,071
Effect of exchange rate changes	(5,271)	1,615
Net decrease in cash and cash equivalents	(54,633)	(25,072)
Cash and cash equivalents as at beginning of the financial period		
As previously reported	146,623	96,472
Effect of exchange rate changes	1,971	2,650
As restated	148,594	99,122
Cash and cash equivalents as at end of the financial period #	93,961	74,050

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

Short term deposits	70,328	55,524
Cash and bank balances	53,807	48,298
	124,135	103,822
Less: Deposits placed with lease payables as security deposit for lease payments	(8,788)	(9,521)
Cash held under Housing Development Accounts	-	(373)
Deposits pledged to licensed banks	(21,386)	(19,878)
	(30,174)	(29,772)
	93,961	74,050

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 2022.

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 2022, except for the adoption of the following new Malaysian Financial Reporting Standard (“MFRS”) and amendments/improvements to MFRSs:

New MFRS	
MFRS 17	Insurance Contracts

Amendments/ Improvements to MFRSs	
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
MFRS 17	Insurance Contracts
MFRS 101	Presentation of Financial Statements
MFRS 107	Statement of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes
MFRS 116	Property, Plant and Equipment
MFRS 119	Employee Benefits
MFRS 128	Investments in Associates and Joint Ventures
MFRS 132	Financial Instruments: Presentation
MFRS 136	Impairment of Assets
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets
MFRS 140	Investment Property

The adoption of the above new MFRS and amendments/improvements to MFRSs will have no significant impact on the financial statements of the Group upon their initial application.

2. Significant accounting policies (Continued)

Amendments/Improvements to MFRSs issued but not yet effective

		Effective for financial periods beginning on or after
Amendments/Improvements to MFRSs (Continued)		
MFRS 7	Financial Instruments: Disclosures	1 January 2024
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

3. Audit Report

The auditors' report on the financial statements for the financial year ended 31 December 2022 was not subject to any qualification.

4. Seasonal or cyclical factors

The operations of the Group for the financial quarter ended 30 September 2023 were not materially affected by any seasonal or cyclical factors.

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 September 2023.

As at the quarter ended 30 September 2023, no new ordinary share of the Company was issued to the eligible persons pursuant to the Advance Synergy Share Grant Scheme.

8. Dividends paid

A single tier dividend of 0.10 sen per ordinary share in respect of the financial year ended 31 December 2022 was paid on 18 August 2023 after obtaining the approval from the shareholders of the Company at the Annual General Meeting held on 27 June 2023.

9. Segmental Information

For the financial period ended 30 September 2023

	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	1,672	46,071	31,881	119,381	7,347	6,429	-	212,781
Inter-segment	3,501	-	2,087	78	-	-	(5,666)	-
Total revenue	5,173	46,071	33,968	119,459	7,347	6,429	(5,666)	212,781
Results								
Segment results	(6,438)	244	(1,962)	4,925	(5,088)	(2,937)	(238)	(11,494)
Share of results of associates and joint venture	25	-	(3)	-	-	-	-	22
Profit/(Loss) before tax	(6,413)	244	(1,965)	4,925	(5,088)	(2,937)	(238)	(11,472)
Income tax expense								(1,200)
Net profit/(loss) for the financial period								(12,672)
Non-controlling interests								2,296
Net profit/(loss) for the financial period attributable to owners of the parent								(10,376)

9. Segmental Information (Continued)

For the financial period ended 30 September 2023 (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	80,017	220,543	424,467	18,174	24,241	31,061	-	798,503
Investment in associates and joint venture	3,890	-	103	-	-	-	-	3,993
Unallocated corporate assets								6,019
Total assets								808,515
Segment liabilities	4,356	11,744	206,067	4,807	9,981	4,900	-	241,855
Unallocated corporate liabilities								4,856
Total liabilities								246,711
Capital expenditure:								
- Property, plant & equipment	19	387	6,983	6	779	92	-	8,266
- Software development expenditure	-	862	-	-	-	-	-	862

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

9. Segmental Information (Continued)

For the financial period ended 30 September 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	353	50,084	22,758	69,294	3,059	8,032	-	153,580
Inter-segment	2,571	-	1,546	7	-	-	(4,124)	-
Total revenue	2,924	50,084	24,304	69,301	3,059	8,032	(4,124)	153,580
Results								
Segment results	(9,090)	5,868	(10,328)	1,814	(4,323)	(2,452)	(492)	(19,003)
Share of results of associates and joint venture	110	-	(3)	-	-	-	-	107
Profit/(Loss) before tax	(8,980)	5,868	(10,331)	1,814	(4,323)	(2,452)	(492)	(18,896)
Income tax expense								(2,107)
Net profit/(loss) for the financial period								(21,003)
Non-controlling interests								1,767
Net profit/(loss) for the financial period attributable to owners of the parent								(19,236)

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

9. Segmental Information (Continued)

For the financial period ended 30 September 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	58,983	233,763	419,762	27,371	18,807	23,493	-	782,179
Investment in associates and joint venture	3,860	-	105	-	-	-	-	3,965
Unallocated corporate assets								7,525
Total assets								793,669
Segment liabilities	5,571	11,198	219,834	20,002	7,026	3,395	-	267,026
Unallocated corporate liabilities								5,849
Total liabilities								272,875
Capital expenditure:								
- Property, plant & equipment	16	582	43,913	-	22	106	-	44,639
- Software development expenditure	-	842	-	-	-	-	-	842

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 2022.

11. Significant events after the reporting period

There are no significant events after the reporting period.

12. Changes in the composition of the Group

(a) On 16 August 2023, Alma Dining Sdn Bhd ("ADSB") was incorporated with an issued share capital of RM100. ADSB is a 70%-owned subsidiary of Advance Synergy Realty Sdn Bhd ("ASR"), a direct wholly-owned subsidiary of the Company.

(b) On 28 August 2023, Advance Synergy Capital Sdn Bhd ("ASCAP"), a direct wholly-owned subsidiary of the Company, completed its acquisition of 726,238 ordinary shares representing the remaining 29% of the issued share capital of Aviva Master Coach Technology Sdn Bhd ("Aviva") not already owned by ASCAP for a total cash consideration of RM1.00 only from Apple Gate Engineering Sdn Bhd, free from any encumbrances. Consequential thereto, Aviva became an indirect wholly-owned subsidiary of the Company.

Save for the above, there were no changes in the composition of the Group during the financial period ended 30 September 2023.

13. Changes in contingent liabilities

There are no changes in contingent liabilities since the last annual statements of financial position as at 31 December 2022.

14. Review of performance

	Year-to-date 9 months ended		Changes	
	30.09.2023	30.09.2022		
	RM'000	RM'000	RM'000	%
Revenue	212,781	153,580	59,201	38.5
Profit/(Loss) from operations	(5,173)	(12,358)	7,185	58.1
Profit/(Loss) before tax	(11,472)	(18,896)	7,424	39.3
Net profit/(loss) for the financial period	(12,672)	(21,003)	8,331	39.7
Net profit/(loss) for the financial period attributable to the Owners of the Parent	(10,376)	(19,236)	8,860	46.1

14. Review of performance (Continued)

Overall performance

For the current 9-month period ended 30 September 2023 ("9M 2023"), the Group recorded higher revenue of RM212.8 million compared to RM153.6 million in the corresponding period last year ended 30 September 2022 ("9M 2022"), an increase in revenue of RM59.2 million or 38.5%, with the bulk of the increase in revenue contributed by Travel & Tours division which recorded an increase in revenue of RM50.2 million. All divisions reported higher revenue in 9M 2023 compared to 9M 2022 except for Information & Communications Technology and Others division.

The Group recorded overall slightly lower gross profit margin for 9M 2023 compared to 9M 2022, as higher proportionate contribution to the Group's revenue was from Travel & Tours division in 9M 2023 compared to 9M 2022. Travel & Tours division generally yields lower gross profit margin compared to the other divisions.

The Group recorded a lower loss before tax in 9M 2023 compared to 9M 2022 mainly due to the improved performance of Travel & Tours and Property Development & Investment divisions partly offset by unfavourable results from Information & Communications Technology, Financial Services and Others divisions.

Investment Holding

In 9M 2023, the division recorded higher revenue of RM5.2 million compared to the revenue of RM2.9 million in 9M 2022. The higher revenue was mainly attributable to higher interest income and intercompany management fee charged which had no impact to the Group's revenue. The division recorded a lower loss before tax of RM6.4 million in 9M 2023 compared to a loss before tax of RM9.0 million in 9M 2022 mainly due to higher revenue in 9M 2023.

Information & Communications Technology

The division recorded lower revenue in its functional currency, Singapore Dollar ("SGD"), in 9M 2023 of SGD13.7 million compared to 9M 2022 of SGD15.8 million, a drop in revenue of approximately 13.3%. The decline in revenue for 9M 2023 was mainly attributable to lower revenue from both Unifiedcomms and GlobeOSS business units.

The division's lower profit before tax of RM0.2 million (SGD0.07 million) in 9M 2023 compared to profit before tax of RM5.9 million (SGD1.9 million) in 9M 2022 was mainly due to the flow down effects of lower revenue and lower gross profit margin coupled with higher net operating expenses in 9M 2023.

The lower gross profit of 44.3% in 9M 2023 compared to 47.4% in 9M 2022 was mainly attributable to the higher proportionate contribution of system sale contract revenues by GlobeOSS business unit, which generally yields lower gross profit margin as a result of its typically higher third party costs.

14. Review of performance (Continued)

Information & Communications Technology (Continued)

The higher net total expenses of the division in 9M 2023 of SGD6.3 million compared to SGD6.1 million in 9M 2022 were mainly attributable to higher technical support expenses and distribution costs recorded in 9M 2023 due to an increase in the headcount of GlobeOSS business unit and lower net foreign exchange gain.

Property Development & Investment

The division recorded revenue of RM34.0 million in 9M 2023, higher compared to the revenue of RM24.3 million recorded in 9M 2022 mainly contributed by higher revenue from the hospitality unit. With the higher revenue, the division recorded lower loss before tax of RM2.0 million in 9M 2023 compared to loss before tax of RM10.3 million in 9M 2022 mainly from the improved performance of the hospitality unit.

<u>Development</u>
The property development unit, ASR, did not generate any revenue for both 9M 2023 and 9M 2022, as the construction of the Federal Park Phase 2 project is still on-going. This resulted in a comparable loss before tax of RM1.4 million and RM1.1 million in 9M 2023 and 9M 2022 respectively.

<u>Investment</u>
Overall, the property investment unit recorded improved revenue in 9M 2023 compared to 9M 2022 with higher revenue contribution from the hospitality unit pursuant to the relaxation of movement control restrictions imposed by the Malaysian government during the COVID-19 pandemic as the country transitioned to the endemic phase in April 2022. Our hospitality unit recorded a significant improvement in revenue from RM18.9 million in 9M 2022 to RM28.1 million in 9M 2023, an increase of approximately RM9.1 million or 48.1%, attributed to improved revenue resulting from higher average room rate and average occupancy rate.

With the higher revenue, lower fair value loss on quoted investment and the gain from modification of lease in 9M 2023, the hospitality unit achieved a profit before tax of RM2.7 million in 9M 2023 as opposed to a loss before tax of RM6.5 million in 9M 2022. Our investment property, Yap Ah Shak House, recorded a loss before tax of RM1.6 million in 9M 2023 compared to the loss before tax of RM1.1 million in 9M 2022 as higher operating expenses were incurred mainly due to an increase in headcount. The financial results of another investment property, Synergy 9, have no significant impact on the Group results as the property is being occupied by the Group.

14. Review of performance (Continued)

Travel & Tours

With the re-opening and relaxation in travelling restrictions of most international destinations for tourists, the Travel & Tours division recorded a significant improvement with substantially higher revenue in 9M 2023 of RM119.5 million compared to RM69.3 million in 9M 2022, an increase in revenue of RM50.2 million or approximately 72.4%. With the substantially higher revenue in the current period under review compared to the same period last year, the division recorded higher profit before tax of RM4.9 million in 9M 2023 compared to profit before tax of RM1.8 million in 9M 2022.

Financial Services

Financial Services division recorded higher revenue of RM7.3 million in 9M 2023 compared to RM3.1 million in 9M 2022 with increase in gross processing volume recorded from its merchants. Despite the higher revenue, the division recorded higher loss before tax of RM5.1 million in 9M 2023 compared to loss before tax of RM4.3 million in 9M 2022 mainly due to lower gross profit margin coupled with higher operating expenses in 9M 2023 compared to 9M 2022 mainly due to increase in headcount with the on-going recruitment process to gear up its operations.

Others

The Others division recorded lower revenue of RM6.4 million in 9M 2023 compared to the revenue of RM8.0 million for 9M 2022. This was mainly attributable to the lower number of buses exported by the bus-body fabrication unit in 9M 2023 compared to 9M 2022. As a result, the bus-body fabrication unit recorded higher loss before tax of RM2.3 million in 9M 2023 compared to loss before tax of RM2.0 million in 9M 2022. The education unit recorded higher revenue of RM0.3 million in 9M 2023 compared to RM0.1 million in 9M 2022. Despite the higher revenue, the unit recorded higher loss before tax of RM0.7 million in 9M 2023 compared to loss before tax of RM0.5 million in 9M 2022 mainly attributable to higher operating expenses incurred in 9M 2023. Overall, the division recorded a higher loss before tax of RM2.9 million in 9M 2023 compared to a loss of RM2.5 million in 9M 2022.

15. Comparison of results with immediate preceding quarter

	Quarter 3 months ended			
	30.09.2023	**30.06.2023**	**Changes**	
	RM'000	**RM'000**	**RM'000**	**%**
Revenue	63,358	66,760	(3,402)	(5.1)
Profit/(Loss) from operations	(1,853)	(1,569)	(284)	(18.1)
Profit/(Loss) before tax	(3,628)	(4,059)	431	10.6
Net profit/(loss) for the financial period	(4,301)	(4,424)	123	2.8
Net profit/(loss) for the financial period attributable to the Owners of the Parent	(2,645)	(4,240)	1,595	37.6

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

Overall performance

The Group recorded lower revenue of RM63.4 million for current quarter ended 30 September 2023 ("Q3 2023") compared to the revenue of RM66.8 million in the immediate preceding quarter ended 30 June 2023 ("Q2 2023"). Lower loss before tax of RM3.6 million in Q3 2023 was recorded by the Group compared to loss of RM4.1 million in Q2 2023 mainly due to unfavourable results from all divisions except for Investment Holding and Property Development & Investment divisions.

Investment Holding

The division reported higher revenue of RM2.6 million in Q3 2023 compared to the revenue of RM1.1 million in Q2 2023 mainly attributable to higher interest income and intercompany management fee charged which has no impact to the Group's revenue. With the higher revenue, the division recorded lower loss before tax of RM1.0 million in Q3 2023 compared to loss before tax of RM2.9 million in Q2 2023.

Information & Communications Technology

The division registered lower revenue of RM11.9 million (SGD3.5 million) in Q3 2023 compared to RM17.5 million (SGD5.1 million) in Q2 2023 mainly due to lower system sale contracts revenue of GlobeOSS business unit. With the lower revenue and higher net operating expenses in the current quarter under review, the division recorded loss before tax of RM1.1 million in Q3 2023 compared to profit before tax of RM0.9 million in Q2 2023. The higher net operating expense was mainly due to lower net foreign exchange gain recorded in Q3 2023 compared to Q2 2023.

Property Development & Investment

The division recorded higher revenue of RM12.1 million in Q3 2023 compared to revenue of RM10.6 million in the previous quarter. The bulk of the revenue of the division for both Q3 2023 and Q2 2023 was contributed by the hospitality unit, which recorded revenue of RM10.2 million in Q3 2023 compared to RM8.7 million in Q2 2023.

In the quarter under review, the division recorded profit before tax of RM0.4 million compared to loss before tax of RM1.6 million in the previous quarter. The profit recorded in Q3 2023 compared to loss in Q2 2023 was mainly attributable to a gain from modification of a lease term arising from termination of a hotel lease in Q3 2023.

<u>Development</u>
The property development unit, ASR, did not record any sales for Q3 2023 and Q2 2023 as the construction of the Federal Park Phase 2 project is still on-going. ASR registered a slightly higher loss before tax in Q3 2023 of RM0.6 million compared to RM0.5 million in Q2 2023 mainly attributable to higher operating expenses incurred in Q3 2023.

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

Property Development & Investment (Continued)

<u>Investment</u>
With the higher revenue of RM12.1 million in Q3 2023 compared to RM10.6 million in Q2 2023, and a gain from modification of a lease term in Q3 2023, the property investment unit recorded a profit before tax of RM1.0 million in Q3 2023 compared to loss before tax of RM1.0 million in Q2 2022.

Our hospitality business recorded higher revenue for Q3 2023 of RM10.2 million compared to RM8.7 million in Q2 2023 mainly due to higher revenue recorded by all our hotels in Q3 2023 compared to Q2 2023. The higher profit before tax in Q3 2023 compared to Q2 2023 was mainly attributable to the gain from the modification of a lease term.

Our F&B business also showed a slightly improved revenue in the quarter under review from the previous quarter resulting in a lower loss before tax of RM0.1 million in Q3 2023 compared to a loss of RM 0.3 million in Q2 2023. Yap Ah Shak property, recorded higher loss in Q3 2023 compared to Q2 2023 mainly due to higher operating expenses arising from higher staff cost, coupled with lower revenue as the property is undergoing a review and revamp in its operations under the new business roadmap.

Travel & Tours

The division recorded lower revenue of RM32.5 million in Q3 2023 compared to the revenue of RM35.2 million in Q2 2023 mainly due to decrease in sales from group ticketing and ground arrangement sales during the quarter under review. With the lower revenue recorded in Q3 2023, the division recorded a slightly lower profit before tax of RM1.3 million in Q3 2023 compared to profit before tax of RM1.4 million in the preceding quarter.

Financial Services

The Financial Services division comprising the card & payment services and money services units generated higher revenue of RM3.1 million in Q3 2023 compared to RM2.4 million Q2 2023 with higher gross processing volume recorded in the current quarter under review. Despite the higher revenue, the division recorded a higher loss of RM2.0 million in Q3 2023 compared to RM1.5 million in Q2 2023 mainly due to lower gross profit margin coupled with higher net operating expenses in Q3 2023 arising from higher payroll and lower forex gain compared to Q2 2023.

Others

The Others division recorded higher revenue of RM3.1 million in Q3 2023 compared to RM1.6 million in Q2 2023. This was mainly attributable to the higher number of buses exported by the bus-body fabrication unit, whilst revenue of the education unit remained nominal in both Q3 2023 and Q2 2023. Despite the higher revenue, the division reported higher loss before tax of RM1.2 million in Q3 2023 compared to RM0.3 million in Q2 2023 mainly due to lower gross profit margin recorded in Q3 2023 compared to Q2 2023.

16. Prospects

The Group remains mindful of the rising inflation and interest rates, possible disruptions in supply chain and geopolitics concerns which may adversely impact the global economic recovery and thus the successful execution of our business plans. Our continued focus on managing costs and investment into our businesses to deliver better Group financial performances, is critical for the remainder of the financial year.

Information & Communications Technology

The risk and uncertainty of the economy going into recession due to geo-political tensions, supply chain disruption, and rising inflation and interest rates, especially in the division's regions of focus, have weighed on the minds of management and the directors of the division when considering the outlook for the remainder of the financial year.

The operations of Unifiedcomms and GlobeOSS in the financial period under review had been minimally impacted by geo-political tensions and supply chain disruption. On the business front, both Unifiedcomms and GlobeOSS contracts in-hand continue to be progressed and management of the 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 and certain managed service contracts that have yet to be committed in the financial period under review, may be further deferred, or even abandoned entirely if macroeconomic and industry conditions worsen or do not improve significantly enough.

At Captii Ventures, the division's venture investment business, the climate for business development and funding continues to be challenging for start-ups in certain industries.

Against this negative 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 economic uncertainty on the division's financial performance.

Property Development & Investment

<u>Development</u>
Advance Synergy Realty Sdn Bhd ("ASR") commenced the development works for Phase 2 of the Federal Park project comprising 88 units of double storey terrace houses and 28 units of single storey terrace houses in August 2022 and expects to generate total revenue of RM59.7 million with targeted sales of 10% by end of 2023. The progress of the works for the development of Phase 2 of the Federal Park project has now reached a completion rate of 45%.

This will be followed by the launching of Sejijak project towards the end of fiscal 2024 with an estimated gross development value of RM75.0 million comprising 88 units of double storey terrace houses, 80 units of townhouses and 40 units of single terrace houses. With these two new projects generating a total gross development value in excess of RM134.7 million, the property development unit is cautiously optimistic to turn the corner towards profitability.

16. Prospects (Continued)

Property Development & Investment (Continued)

Development (Continued)

Although the unit expects the property market in Kuching to remain soft due to the negative impact of the pandemic crisis and stringent financing requirements in fiscal 2023, with the affordable pricing for its development properties, the unit is confident of the marketability of Phase 2 of Federal Park project and Sejijak project as both projects comprised mainly affordable residential properties. ASR will also continue to improve its product quality and customer service to maintain its position as one of the most reputable developers in Kuching.

Investment

With the transition to endemic phase in Malaysia, the hospitality unit is hopeful that there is an opportunity for a gradual recovery in the business with the expected pent-up demand for travel. The good news is effective from 8 January 2023, China has lifted pandemic restrictions on foreign travel, ending quarantine requirements for inbound travellers and with it, nearly three years of self-imposed isolation. However, for fiscal 2023, we remain cautious on the hospitality industry's recovery due to external pressures, which may prolong the recovery to pre-pandemic level as lingering effects of COVID-19 besides continuing pressures from rising costs, staff shortage, recessionary risks and geopolitics concerns may continue to drag down the industry.

During the border closures, the hospitality unit seized the opportunity to introduce new facilities at Holiday Villa Beach Resort & Spa Cherating ("Cherating Holiday Villa") which includes a specialized thematic pool for corporate team-building activities and a children's fun pool for families. Since 2020, upgrades works have been undertaken for guestrooms and toilets at Cherating Holiday Villa with a majority of these upgrades already completed which will position our Cherating Holiday Villa to be competitive in continuing to attract travellers throughout fiscal 2023. Cherating Holiday Villa performed well as travel restrictions were relaxed, experiencing an upsurge in demand from local tourists. This trend is anticipated to continue unless unforeseen circumstances arise.

Pursuant to the signing of the lease termination agreement between Langkawi Holiday Villa Sdn Bhd and Pacific Trustees Berhad (acting as trustee for AmanahRaya Real Estate Investment Trust), as disclosed in Note 20(c) of this announcement, the operation of Holiday Villa Beach Resort & Spa Langkawi will cease upon completion of the agreement.

Our aparthotel in Earls Court, London is entering the fit-out stage and is expected to be operational in the third quarter of 2023. Fiscal 2022 saw the rebound in demand for UK hotels which may however face some uncertainties in fiscal 2023 due to external headwinds impacting consumer confidence coupled with rising operational costs, staffing shortages and supply chain disruption. However, we are cautiously optimistic that the London hospitality market will be resilient as we can see the swift post-pandemic rebound and influx of international visitors to London.

16. Prospects (Continued)

Property Development & Investment (Continued)

Investment (Continued)

China's abrupt dismantling of the strict COVID-19 anti-virus regime on 8 January 2023, led to an increase in infections as many people travelled to their hometowns for the Lunar New Year holidays in January 2023. The COVID-19 peak wave was expected to last for two to three months, causing Holiday Villa Hotel & Residence Jiading P.R.C. (“Shanghai Holiday Villa”) to experience its lowest occupancy in the first quarter of 2023. The situation began to recover from May 2023, resulting in better performance for Shanghai Holiday Villa in the second quarter 2023. However, the fiscal year 2023 is anticipated to remain challenging for Shanghai Holiday Villa as external headwinds may impact the travel industry.

Yap Ah Shak House in Kuala Lumpur, a high quality mixed-use property comprising serviced offices, meeting facilities, an event space, as well as two floors dedicated to food and beverage operations, did not meet the revenue expectation after its opening in January 2022 due to the lingering impact of COVID-19 pandemic on the market for commercial office space, and is thus undergoing a review and revamp in the operations. Yap Ah Shak House is expected to be operational under the new business roadmap in second half of fiscal 2023.

Travel & Tours

Our Travel and Tours division has been most affected by the COVID-19 pandemic as many countries introduced curfews and travel restrictions to contain the spread of the virus. With the relaxation of travel restrictions, the division recorded a significantly improved performance in fiscal 2022. The division's performance continued to improve during the period under review in year 2023 and the division remains cautiously optimistic about its performance for fiscal year 2023 although external factors such as increasing inflation, higher travel costs, and geopolitical concerns may dampen growth in the travel industry. The division’s business plan to focus on building its corporate client base for the ticketing, group series tours and company incentive groups business and in exploring to work closely with travel partners to develop more competitive inbound and outbound travel products remains.

Financial Services

The division comprising Paydee Sdn Bhd (“Paydee”) which is engaged in card and payment services, and Qurex Sdn Bhd (“Qurex”) which is involved in money services, conducted a strategic review of their businesses in fiscal 2021. Pursuant to this strategic review, Paydee, had in fiscal 2022, focused on the development and establishment of its New Payment Application Services (“NPAS”). This involved the recruitment of additional staff to design, develop, operate and manage the NPAS as well as efforts to identify and evaluate opportunities for business collaboration.

16. Prospects (Continued)

Financial Services (Continued)

Under its newly conceived product roadmap for both payment acquiring and card issuing, Paydee has initiated the process of evolving its operations, technologies and application services. It will continuously invest in technology/infrastructure renewal and the development of new capabilities to deliver innovative NPAS to address SME business segments, as well as to be the non-bank partner of choice for payment facilitators.

The focus for Qurex would be to grow its B2B international payment and remittance services and to explore opportunities to generate new sources of income and sustainable avenues for growth. Qurex intends to synergise with Paydee for its growth plan and pending the full implementation of the new roadmap, Qurex does not anticipate its existing businesses to grow substantially in fiscal 2023.

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.

For fiscal 2023, the unit will continue to focus on the Australia market and with orders in hand, there is a cautious optimism in the sale of our buses.

The market situation remains challenging with rising costs and continuing disruption to the supply chain. However, Aviva is confident in managing the risks and shall focus in ensuring that its production is cost-and-delivery-efficient and targets to increase its production to 20 buses per month within the next two years in line with the expected increase in orders from 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 2023.

The Language House's ("TLH") educational pursuits in the ever-evolving landscape of language education in Malaysia is meticulous and encompassing a spectrum of objectives, while remaining acutely aware of the challenges faced by language centers in our dynamic milieu.

The educational unit at TLH foresees a positive outlook as it aspires to transcend conventional boundaries by diversifying courses, fortifying digital infrastructure, integrating technology into programs, and fostering collaborations with esteemed language institutions and universities. Simultaneously, we conscientiously recognise the challenges prevalent in the Malaysian language education sector, including the intricacies of digital integration and the imperative need to cultivate a supportive community.

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 30.09.2023 RM'000	Year-to-date ended 30.09.2023 RM'000
On current quarter results		
- Corporate income tax	(673)	(1,200)

The effective income tax rate of the Group for the current quarter and year-to-date ended 30 September 2023 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 Beach Resort & Spa Cherating, measuring in aggregate area of approximately 42,635 square metres for a buy back price of RM22,965,600 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 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.

20. Status of corporate proposals (Continued)

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: (Continued)

(c) On 28 June 2023, the Company announced that Langkawi Holiday Villa Sdn Bhd ("LHV") had on 28 June 2023 entered into an Agreement to Terminate ("Lease Termination Agreement") with Pacific Trustees Berhad (acting as trustee for AmanahRaya Real Estate Investment Trust) ("Lessor") for the mutual termination of the Renewal Lease Agreement dated 16 December 2016 (including the Lease and the Renewal Lease Agreement Rights as defined in the Company's announcement dated 28 June 2023) ("Renewal Lease Agreement") of the 4-star beach resort hotel building with 238 rooms known as "Holiday Villa Beach Resort & Spa Langkawi" which is being leased by LHV from the Lessor, for a cash compensation sum of RM45 million to be paid to LHV subject to the terms and conditions as stipulated in the Lease Termination Agreement ("Proposed Termination of LHV Lease").

On 1 September 2023, the Company announced that LHV's Solicitors had received the Lessor's Solicitors' Notice on 1 September 2023 and accordingly the Lease Termination Agreement became unconditional on 1 September 2023 ("Unconditional Date"). On the Unconditional Date, the Renewal Lease Agreement was effectively terminated in its entirety ("Lease Termination Date"). Barring any unforeseen circumstances, the Proposed Termination of LHV Lease is expected to be completed by end of 2023 as the Lease Termination Agreement provides that LHV shall, on any day falling three (3) months after the Lease Termination Date or by 30 September 2023, whichever is later, with an automatic extension of a further period of one (1) month deliver and surrender vacant possession of the Property (as defined in the Lease Termination Agreement) to the Lessor.

(d) On 10 October 2023, the Company announced that the Company had amended the definition of "Group" or "Advance Synergy Group" and "Subsidiary" of the By-Laws constituting the SGS (as defined in the Circular to Shareholders dated 30 June 2022) in relation to the Proposals (as defined in the announcement dated 11 March 2022) to include Captii Limited ("Captii"), a subsidiary of the Company which is listed on the Singapore Exchange Securities Trading Limited ("SGX"), and its group of companies ("Captii Group") ("By-Laws Amendments"). The definitions of "Group" or "Advance Synergy Group" and "Subsidiary" before the By-Laws Amendments exclude subsidiary(ies) listed on any stock exchange as well as its group of companies.

21. 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 September 2023 is as follows:

21. Utilisation of proceeds from disposal of Wisma Synergy (Continued)

	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 *	-	Within 3 months	-
Working capital of the Group	51,900	43,632 *	8,272	Within 12 months	Additional 36 months
Expenses for the disposal	10,760	10,760	-	Within 3 months	-
	124,000	115,728	8,272		

* The remaining amount of RM4,000 which was not utilised for repayment of borrowing was utilised for working capital of the Group.

22. 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 September 2023 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	4,844	4,857 *	-	Proceeds of RM4.844 million - Within 24 months
	2,000	1,400	600	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 *	-	- Within 12 months
	7,000	6,400	600	

* The remaining amount of RM13,000 which was not utilised for expenses in relation to the disposal was utilised for working capital of the Group.

23. Utilisation of proceeds from the Rights Issue

The status of utilisation of proceeds raised from the Rights Issue as at 30 September 2023 is as follows:

	Proposed Utilisation RM'000	Utilisation to-date RM'000		Balance unutilised RM'000	Intended timeframe for Utilisation from 04.11.2022
Investment in existing businesses and/or future business expansion/ new strategic investment	53,200	26,617		26,583	Within 36 months
Working capital	25,600	16,187	*	9,431	Within 36 months
Expenses for the Rights Issue	1,200	1,182	*	-	Immediately
	80,000	43,986		36,014	

* The remaining amount of RM18,000 which was not utilised for expenses in relation to the Rights Issue was utilised for working capital of the Group.

24. Group borrowings

Details of the borrowings by the Group are as follows:

	As at 30.09.2023 RM'000	As at 31.12.2022 RM'000
Short term - secured		
- Term loans	7,825	8,799
- Revolving credit	39,500	40,000
	47,325	48,799
Long term - secured		
- Term loans	86,153	90,116
	86,153	90,116
Total borrowings	133,478	138,915

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.

27. Notes To The Statement of Comprehensive Income

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

	9 months ended 30.09.2023 RM'000	9 months ended 30.09.2022 RM'000
Amortisation of intangible assets	(559)	(599)
Depreciation	(11,368)	(11,527)
Dividend received	44	47
Effect of modification to lease terms	2,785	111
Fair value change in unquoted investment securities	(55)	(277)
Fair value change in quoted investment securities	(114)	(1,134)
Interest expenses	(6,321)	(6,645)
Interest income	2,162	921
Net gain on disposal of:		
- property, plant and equipment	35	22
- quoted investment securities	-	(128)
Net unrealised (loss)/gain on foreign exchange	(242)	(843)
Property, plant and equipment written off	-	(81)
Provision for retirement benefits plan	(84)	(98)

28. Dividend

A single tier dividend in respect of the financial year ended 31 December 2022 was paid on 18 August 2023 as approved by the shareholders of the Company at the Annual General Meeting held on 27 June 2023

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 RM2,645,000 and RM10,376,000 respectively, divided by the weighted average number of ordinary shares of 2,529,194,943 for the current quarter and current year-to-date respectively as follows:

	3 months ended		Year-to-date ended	
	30.09.2023	**30.09.2022**	**30.09.2023**	**30.09.2022**
	No. of shares		No. of shares	
Issued / weighted average number of ordinary shares	2,529,194,943	929,194,943	2,529,194,943	929,194,943

	3 months ended		Year-to-date ended	
	30.09.2023	**30.09.2022**	**30.09.2023**	**30.09.2022**
Basic loss per share (sen)	(0.10)	(0.70)	(0.41)	(2.07)

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	
	30.09.2023	**30.09.2022**	**30.09.2023**	**30.09.2022**
Diluted loss per share (sen)	(0.10)	(0.70)	(0.41)	(2.07)

30. Status of E-commerce activities

Not applicable.

BY ORDER OF THE BOARD
ADVANCE SYNERGY BERHAD

HO TSAE FENG
Company Secretary
29 November 2023