

## COMPANY ANNOUNCEMENT

### UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2024

The Board of Directors of Advance Synergy Berhad wishes to announce the unaudited financial results of the Group for the quarter and year ended 31 December 2024.

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 2023.

### UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

|   | <u>3 months ended</u> |                   | <u>Year-to-date</u> |                   |
|---|-----------------------|-------------------|---------------------|-------------------|
|   | <u>31.12.2024</u>     | <u>31.12.2023</u> | <u>31.12.2024</u>   | <u>31.12.2023</u> |
|   | <u>Unaudited</u>      | <u>Unaudited</u>  | <u>Unaudited</u>    | <u>Audited</u>    |
|   | <u>RM'000</u>         | <u>RM'000</u>     | <u>RM'000</u>       | <u>RM'000</u>     |
| Revenue   | 82,288                | 74,785            | 270,507             | 287,566           |
| Cost of sales   | (63,458)              | (60,671)          | (207,912)           | (219,933)         |
| Gross profit  | 18,830                | 14,114            | 62,595              | 67,633            |
| Other operating income  | 7,778                 | 47,295            | 14,480              | 53,131            |
| Operating expenses  | (55,604)              | (122,181)         | (141,151)           | (187,393)         |
| Profit/(Loss) from operations                                 | (28,996)              | (60,772)          | (64,076)            | (66,629)          |
| Finance income  | 566                   | 564               | 2,368               | 1,248             |
| Finance costs   | (2,432)               | (5,095)           | (10,544)            | (11,416)          |
| Share of results of associates and joint venture              | -                     | (60)              | 38                  | (38)              |
| Profit/(Loss) before tax                                      | (30,862)              | (65,363)          | (72,214)            | (76,835)          |
| Income tax expense  | (2,748)               | (2,590)           | (3,418)             | (3,790)           |
| Net profit/(loss) for the financial period/year               | <u>(33,610)</u>       | <u>(67,953)</u>   | <u>(75,632)</u>     | <u>(80,625)</u>   |
| Attributable to:  |                       |                   |                     |                   |
| Owners of the parent  | (32,045)              | (38,963)          | (58,728)            | (49,339)          |
| Non-controlling interests                                     | (1,565)               | (28,990)          | (16,904)            | (31,286)          |
|   | <u>(33,610)</u>       | <u>(67,953)</u>   | <u>(75,632)</u>     | <u>(80,625)</u>   |
| Profit/(Loss) per share attributable to owners of the parent: |                       |                   |                     |                   |
| Basic (sen)   | <u>(1.27)</u>         | <u>(1.54)</u>     | <u>(2.32)</u>       | <u>(1.95)</u>     |
| Diluted (sen)   | <u>(1.27)</u>         | <u>(1.54)</u>     | <u>(2.32)</u>       | <u>(1.95)</u>     |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|  | <b>3 months ended</b>                    |  | <b>Year-to-date</b>                      |  |
|--|--|--|--|--|
|  | <b>31.12.2024</b>                        | <b>31.12.2023</b>                        | <b>31.12.2024</b>                        | <b>31.12.2023</b>                      |
|  | <b><u>Unaudited</u></b><br><b>RM'000</b> | <b><u>Unaudited</u></b><br><b>RM'000</b> | <b><u>Unaudited</u></b><br><b>RM'000</b> | <b><u>Audited</u></b><br><b>RM'000</b> |
| Net profit/(loss) for the financial period/year  | (33,610)                                 | (67,953)                                 | (75,632)                                 | (80,625)                               |
| Other comprehensive income/(expenses):   |  |  |  |  |
| <i>Items that may be reclassified subsequently to profit or loss:</i>                                    |  |  |  |  |
| Exchange differences on translation of foreign operations  | 1,692                                    | 1,635                                    | (1,124)                                  | 7,442                                  |
| <i>Total items that may be reclassified subsequently to profit or loss</i>                               | <u>1,692</u>                             | <u>1,635</u>                             | <u>(1,124)</u>                           | <u>7,442</u>                           |
| <i>Items that will not be reclassified subsequently to profit or loss:</i>                               |  |  |  |  |
| Fair value gain/(loss) on equity instruments designated at fair value through other comprehensive income | (81)                                     | (1,528)                                  | (1,286)                                  | (161)                                  |
| <i>Total items that will not be reclassified subsequently to profit or loss</i>                          | <u>(81)</u>                              | <u>(1,528)</u>                           | <u>(1,286)</u>                           | <u>(161)</u>                           |
| Other comprehensive income/(loss) for the financial period/year  | <u>1,611</u>                             | <u>107</u>                               | <u>(2,410)</u>                           | <u>7,281</u>                           |
| Total comprehensive income/(loss) for the financial period/year  | <u>(31,999)</u>                          | <u>(67,846)</u>                          | <u>(78,042)</u>                          | <u>(73,344)</u>                        |
| Attributable to:   |  |  |  |  |
| Owners of the parent   | (31,566)                                 | (45,083)                                 | (65,131)                                 | (51,092)                               |
| Non-controlling interests  | <u>(433)</u>                             | <u>(22,763)</u>                          | <u>(12,911)</u>                          | <u>(22,252)</u>                        |
| Total comprehensive income/(loss) for the financial period/year  | <u>(31,999)</u>                          | <u>(67,846)</u>                          | <u>(78,042)</u>                          | <u>(73,344)</u>                        |

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|  | Unaudited as at<br><u>31.12.2024</u><br>RM'000 | Audited as at<br><u>31.12.2023</u><br>RM'000 |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| <b><u>Non-current assets</u></b>                           |  |  |
| Property, plant and equipment                              | 196,215  | 234,681                                      |
| Right-of-use assets  | 36,270   | 47,741                                       |
| Investment properties                                      | 14,500   | 16,300                                       |
| Investment in associates and joint venture                 | 3,546  | 3,933  |
| Investment securities                                      | 43,676   | 70,715                                       |
| Goodwill   | 24,157   | 39,192                                       |
| Intangible assets  | 8,122  | 7,224  |
| Deferred tax assets  | 2,573  | 4,230  |
| Inventories  | 4,701  | 4,699  |
|  | 333,760  | 428,715                                      |
| <b><u>Current assets</u></b>                               |  |  |
| Inventories  | 63,444   | 45,016                                       |
| Receivables, prepayments and contract assets               | 94,413   | 155,686                                      |
| Current tax assets   | 1,590  | 1,362  |
| Investment securities                                      | 2,501  | 2,323  |
| Financial assets held for trading                          | 25   | 47   |
| Fixed deposits   | 33,517   | 49,129                                       |
| Cash and bank balances                                     | 65,356   | 65,135                                       |
|  | 260,846  | 318,698                                      |
| <b>TOTAL ASSETS</b>  | <b>594,606</b>                                 | <b>747,413</b>                               |
| <b>EQUITY AND LIABILITIES</b>                              |  |  |
| <b><u>Equity attributable to owners of the Company</u></b> |  |  |
| Share capital  | 461,377  | 461,377                                      |
| Reserves   | (107,134)                                      | (40,738)                                     |
|  | 354,243  | 420,639                                      |
| Non-controlling interests                                  | 53,730   | 67,593                                       |
| <b>Total equity</b>  | <b>407,973</b>                                 | <b>488,232</b>                               |
| <b><u>Non-current liabilities</u></b>                      |  |  |
| Borrowings   | 74,952   | 85,632                                       |
| Lease liabilities  | 16,711   | 26,497                                       |
| Payables   | 5,412  | 6,384  |
| Deferred tax liabilities                                   | 3,660  | 4,368  |
|  | 100,735  | 122,881                                      |
| <b><u>Current liabilities</u></b>                          |  |  |
| Payables and contract liabilities                          | 63,208   | 82,145                                       |
| Borrowings   | 19,679   | 49,302                                       |
| Lease liabilities  | 2,951  | 3,985  |
| Current tax liabilities                                    | 60   | 868  |
|  | 85,898   | 136,300                                      |
| <b>Total Liabilities</b>                                   | <b>186,633</b>                                 | <b>259,181</b>                               |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        | <b>594,606</b>                                 | <b>747,413</b>                               |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024**

|   | Share<br>Capital<br>RM'000 | Revaluation<br>Reserve<br>RM'000 | Foreign<br>Currency<br>Translation<br>Reserve<br>RM'000 | Fair Value<br>Reserve<br>RM'000 | Accumulated<br>Losses<br>RM'000 | Total<br>RM'000 | Non-<br>Controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|---|----------------------------|----------------------------------|---|---------------------------------|---------------------------------|-----------------|--|---------------------------|
| Balance as at 1 January 2024  | 461,377                    | 16,413                           | 7,895   | (954)                           | (64,092)                        | 420,639         | 67,593                                     | 488,232                   |
| Net loss for the financial year   | -                          | -                                | -   | -                               | (58,728)                        | (58,728)        | (16,904)                                   | (75,632)                  |
| Fair value loss on equity instruments<br>designated at fair value through other<br>other comprehensive income | -                          | -                                | -   | (1,286)                         | -                               | (1,286)         | -  | (1,286)                   |
| Crystallisation of revaluation reserve  | -                          | (362)                            | -   | -                               | 362                             | -               | -  | -                         |
| Realisation of revaluation reserve  | -                          | 274                              | -   | -                               | (274)                           | -               | -  | -                         |
| Exchange differences on translation<br>of foreign operations  | -                          | -                                | (5,117)   | -                               | -                               | (5,117)         | 3,993                                      | (1,124)                   |
| Total comprehensive loss for the financial<br>year  | -                          | (88)                             | (5,117)   | (1,286)                         | (58,640)                        | (65,131)        | (12,911)                                   | (78,042)                  |
| <b>Transactions with owners</b>   |                            |                                  |   |                                 |                                 |                 |  |                           |
| Dividend paid   | -                          | -                                | -   | -                               | (1,265)                         | (1,265)         | -  | (1,265)                   |
| Dividend paid to non-controlling<br>interest of a subsidiary  | -                          | -                                | -   | -                               | -                               | -               | (982)                                      | (982)                     |
| Additional interest in subsidiaries   | -                          | -                                | -   | -                               | -                               | -               | 30   | 30                        |
|   | -                          | -                                | -   | -                               | (1,265)                         | (1,265)         | (952)                                      | (2,217)                   |
| Balance as at 31 December 2024  | 461,377                    | 16,325                           | 2,778   | (2,240)                         | (123,997)                       | 354,243         | 53,730                                     | 407,973                   |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)**

|   | Share<br>Capital<br>RM'000 | Revaluation<br>Reserve<br>RM'000 | Foreign<br>Currency<br>Translation<br>Reserve<br>RM'000 | Fair Value<br>Reserve<br>RM'000 | Retained<br>Profits/<br>(Accumulated<br>Losses)<br>RM'000 | Total<br>RM'000 | Non-<br>Controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|---|----------------------------|----------------------------------|---|---------------------------------|---|-----------------|--|---------------------------|
| Balance as at 1 January 2023  |                            |                                  |   |                                 |   |                 |  |                           |
| - As previously reported  | 461,377                    | 16,594                           | 9,487   | (793)                           | 7,240   | 493,905         | 77,468                                     | 571,373                   |
| - Prior year adjustments  | -                          | -                                | -   | -                               | (5,548)   | (5,548)         | (2,266)                                    | (7,814)                   |
| Restated balance as at 1 January 2023   | 461,377                    | 16,594                           | 9,487   | (793)                           | 1,692   | 488,357         | 75,202                                     | 563,559                   |
| Net loss for the financial year   | -                          | -                                | -   | -                               | (49,339)  | (49,339)        | (31,286)                                   | (80,625)                  |
| Fair value gain of equity instruments<br>through other comprehensive income       | -                          | -                                | -   | (161)                           | -   | (161)           | -  | (161)                     |
| Crystallisation of revaluation reserve  | -                          | (181)                            | -   | -                               | 181   | -               | -  | -                         |
| Exchange differences on translation<br>of foreign operations                      | -                          | -                                | (1,592)   | -                               | -   | (1,592)         | 9,034                                      | 7,442                     |
| Total comprehensive income/(loss)<br>the financial year                           | -                          | (181)                            | (1,592)   | (161)                           | (49,158)  | (51,092)        | (22,252)                                   | (73,344)                  |
| <b>Transactions with owners</b>   |                            |                                  |   |                                 |   |                 |  |                           |
| Dividend paid   | -                          | -                                | -   | -                               | (2,529)   | (2,529)         | -  | (2,529)                   |
| Dividend paid to non-controlling<br>interest of a subsidiary                      | -                          | -                                | -   | -                               | -   | -               | (1,547)                                    | (1,547)                   |
| Acquisition of additional interest in<br>subsidiary from Non-Controlling Interest | -                          | -                                | -   | -                               | (14,097)  | (14,097)        | 14,097                                     | -                         |
| Additional interest in subsidiaries   | -                          | -                                | -   | -                               | -   | -               | 2,093                                      | 2,093                     |
|   | -                          | -                                | -   | -                               | (16,626)  | (16,626)        | 14,643                                     | (1,983)                   |
| Balance as at 31 December 2023  | 461,377                    | 16,413                           | 7,895   | (954)                           | (64,092)  | 420,639         | 67,593                                     | 488,232                   |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

|   | <b>12 months ended<br/>31.12.2024</b> | <b>12 months ended<br/>31.12.2023</b> |
|---|---------------------------------------|---------------------------------------|
|   | <b><u>Unaudited</u><br/>RM'000</b>    | <b><u>Audited</u><br/>RM'000</b>      |
| <b>Cash flows from operating activities</b>                   |                                       |                                       |
| Loss before tax   | (72,214)                              | (76,835)                              |
| Adjustments for:-   |                                       |                                       |
| Non-cash items  | 60,584                                | 68,654                                |
| Other investing and financing items                           | 7,006                                 | 9,017                                 |
| Operating (loss)/profit before working capital changes        | (4,624)                               | 836                                   |
| Changes in working capital                                    |                                       |                                       |
| Inventories   | (18,430)                              | (10,755)                              |
| Receivables   | 61,825                                | (21,561)                              |
| Financial assets held for trading                             | 21                                    | (25)                                  |
| Payables  | (19,909)                              | 7,506                                 |
| Net cash generated from/(used in) operations                  | 18,883                                | (23,999)                              |
| Retirement benefits paid                                      | -                                     | (25)                                  |
| Net tax paid  | (3,507)                               | (2,342)                               |
| <b>Net cash generated from/(used in) operating activities</b> | <b>15,376</b>                         | <b>(26,366)</b>                       |
| <b>Cash flows from investing activities</b>                   |                                       |                                       |
| Acquisition of unquoted investment securities                 | (577)                                 | (1,151)                               |
| Addition of intangible assets                                 | (2,366)                               | (3,277)                               |
| Interest received   | 2,697                                 | 2,345                                 |
| Dividend received   | 1,240                                 | 54                                    |
| Change in deposit placed with licensed bank                   | 2,640                                 | 81,120                                |
| Proceeds from disposal of unquoted investment securities      | 1,193                                 | 460                                   |
| Proceeds from disposal of property, plant and equipment       | 24,000                                | 1,167                                 |
| Proceeds from disposal of hotel management services           | -                                     | 800                                   |
| Proceeds from disposal of investment property                 | 2,315                                 | -                                     |
| Purchase of property, plant and equipment                     | (7,418)                               | (8,276)                               |
| Placement of pledged deposits                                 | (1,087)                               | 6,701                                 |
| <b>Net cash generated from investing activities</b>           | <b>22,637</b>                         | <b>79,943</b>                         |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)**

|   | <b>12 months ended<br/>31.12.2024<br/><u>Unaudited</u><br/>RM'000</b> | <b>12 months ended<br/>31.12.2023<br/><u>Audited</u><br/>RM'000</b> |
|---|---|---|
| <b>Cash flows from financing activities</b>   |   |   |
| Dividend paid   | (1,265)   | (2,529)   |
| Dividend paid to non-controlling interests of a subsidiary                                    | (982)   | (1,547)   |
| Interest paid   | (10,544)  | (11,416)  |
| Repayment of borrowings   | (38,764)  | (5,428)   |
| Repayment of lease liabilities  | (2,879)   | (6,128)   |
| <b>Net cash used in financing activities</b>  | <u>(54,434)</u>   | <u>(27,048)</u>   |
| Effect of exchange rate changes   | 3,204   | (2,218)   |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                                   | (13,217)  | 24,311  |
| <b>Cash and cash equivalents as at beginning of the financial year</b>                        |   |   |
| As previously reported  | 88,084  | 61,101  |
| Effect of exchange rate changes   | (621)   | 2,672   |
| As restated   | 87,463  | 63,773  |
| <b>Cash and cash equivalents as at end of the financial year #</b>                            | <u>74,246</u>   | <u>88,084</u>   |
| <b># Cash and cash equivalents at the end of the financial year comprising the following:</b> |   |   |
| Fixed deposits  | 33,517  | 49,129  |
| Cash and bank balances  | 65,356  | 65,135  |
|   | 98,873  | 114,264   |
| Less: Deposit with maturity more than three months  | (541)   | (3,180)   |
| Deposits pledged to licensed banks  | (24,086)  | (23,000)  |
|   | <u>(24,627)</u>   | <u>(26,180)</u>   |
|   | <u>74,246</u>   | <u>88,084</u>   |

## NOTES TO THE INTERIM FINANCIAL REPORT

### 1. Basis of preparation

The unaudited interim financial report has been prepared in compliance with MFRS 134 – “Interim Financial Reporting” and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023.

### 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 2023, except for the adoption of the following amendments to Malaysian Financial Reporting Standard (“MFRS”):

#### Amendments to MFRSs

|          |                                      |
|----------|--------------------------------------|
| MFRS 7   | Financial Instruments: Disclosures   |
| MFRS 16  | Leases                               |
| MFRS 101 | Presentation of Financial Statements |
| MFRS 107 | Statement of Cash Flows              |

The adoption of the above amendments 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 that have been issued, but yet to be effective**

|   |  | <b>Effective for financial periods beginning on or after</b> |
|---|--|--|
| <u>New MFRS</u>                         |  |  |
| MFRS 18                                 | Presentation and Disclosure in Financial Statements            | 1 January 2027   |
| MFRS 19                                 | Subsidiaries without Public Accountability: Disclosures        | 1 January 2027   |
| <u>Amendments/Improvements to MFRSs</u> |  |  |
| MFRS 1                                  | First-time Adoption of Malaysian Financial Reporting Standards | 1 January 2026   |
| MFRS 7                                  | Financial Instruments: Disclosures                             | 1 January 2026   |
| MFRS 9                                  | Financial Instruments  | 1 January 2026   |
| MFRS 10                                 | Consolidated Financial Statements                              | 1 January 2026/<br>Deferred                                  |
| MFRS 107                                | Statement of Cash Flows  | 1 January 2026   |
| 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 2023 was not subject to any qualification.



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

### **4. Seasonal or cyclical factors**

The operations of the Group for the financial year ended 31 December 2024 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 year ended 31 December 2024.

As at the quarter ended 31 December 2024, 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 in respect of the financial year ended 31 December 2023 was paid on 19 August 2024 after obtaining approval from the shareholders of the Company at the Annual General Meeting held on 19 June 2024.

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

9. Segmental Information

For the financial year ended 31 December 2024

|   | Investment Holding | Information & Communications Technology | Property Development & Investment | Travel & Tours | Financial Services | Others        | Eliminations    | Total          |
|---|--------------------|---|-----------------------------------|----------------|--------------------|---------------|-----------------|----------------|
|   | RM'000             | RM'000                                  | RM'000                            | RM'000         | RM'000             | RM'000        | RM'000          | RM'000         |
| <b>Revenue</b>  |                    |   |                                   |                |                    |               |                 |                |
| External  | 579                | 59,856                                  | 26,386                            | 155,475        | 4,598              | 23,613        | -               | 270,507        |
| Inter-segment   | 39,414             | -                                       | 2,781                             | 161            | -                  | -             | (42,356)        | -              |
| <b>Total revenue</b>  | <b>39,993</b>      | <b>59,856</b>                           | <b>29,167</b>                     | <b>155,636</b> | <b>4,598</b>       | <b>23,613</b> | <b>(42,356)</b> | <b>270,507</b> |
| <b>Results</b>  |                    |   |                                   |                |                    |               |                 |                |
| Segment results   | 15,136             | (29,254)                                | (21,663)                          | 6,982          | (9,361)            | (517)         | (33,575)        | (72,252)       |
| Share of results of associates and joint venture                              | 45                 | -                                       | (7)                               | -              | -                  | -             | -               | 38             |
| Profit/(Loss) before tax  | 15,181             | (29,254)                                | (21,670)                          | 6,982          | (9,361)            | (517)         | (33,575)        | (72,214)       |
| Income tax expense  |                    |   |                                   |                |                    |               |                 | (3,418)        |
| Net profit/(loss) for the financial year                                      |                    |   |                                   |                |                    |               |                 | (75,632)       |
| Non-controlling interests   |                    |   |                                   |                |                    |               |                 | 16,904         |
| Net profit/(loss) for the financial year attributable to owners of the parent |                    |   |                                   |                |                    |               |                 | (58,728)       |

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

9. Segmental Information (Continued)

For the financial year ended 31 December 2024 (Continued)

|  | Investment Holding | Information & Communications Technology | Property Development & Investment | Travel & Tours | Financial Services | Others | Eliminations | Total   |
|--|--------------------|---|-----------------------------------|----------------|--------------------|--------|--------------|---------|
|  | RM'000             | RM'000                                  | RM'000                            | RM'000         | RM'000             | RM'000 | RM'000       | RM'000  |
| <b><u>Other information</u></b>            |                    |   |                                   |                |                    |        |              |         |
| Segment assets                             | 13,830             | 148,391                                 | 350,549                           | 30,167         | 21,498             | 22,462 | -            | 586,897 |
| Investment in associates and joint venture | 3,476              | -                                       | 70                                | -              | -                  | -      | -            | 3,546   |
| Unallocated corporate assets               |                    |   |                                   |                |                    |        |              | 4,163   |
| Total assets                               |                    |   |                                   |                |                    |        |              | 594,606 |
| Segment liabilities                        | 3,617              | 13,241                                  | 141,764                           | 9,738          | 4,288              | 10,265 | -            | 182,913 |
| Unallocated corporate liabilities          |                    |   |                                   |                |                    |        |              | 3,720   |
| Total liabilities                          |                    |   |                                   |                |                    |        |              | 186,633 |
| Capital expenditure:                       |                    |   |                                   |                |                    |        |              |         |
| - Property, plant & equipment              | 17                 | 621                                     | 5,599                             | 37             | 707                | 437    | -            | 7,418   |
| - Software development expenditure         | -                  | 1,734                                   | -                                 | -              | 632                | -      | -            | 2,366   |

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

9. Segmental Information (Continued)

For the financial year ended 31 December 2023

|   | Investment Holding | Information & Communications Technology | Property Development & Investment | Travel & Tours | Financial Services | Others        | Eliminations    | Total          |
|---|--------------------|---|-----------------------------------|----------------|--------------------|---------------|-----------------|----------------|
|   | RM'000             | RM'000                                  | RM'000                            | RM'000         | RM'000             | RM'000        | RM'000          | RM'000         |
| <b>Revenue</b>  |                    |   |                                   |                |                    |               |                 |                |
| External  | 1,345              | 62,196                                  | 42,658                            | 159,666        | 9,189              | 12,512        | -               | 287,566        |
| Inter-segment   | 19,464             | -                                       | 2,780                             | 101            | -                  | -             | (22,345)        | -              |
| <b>Total revenue</b>  | <b>20,809</b>      | <b>62,196</b>                           | <b>45,438</b>                     | <b>159,767</b> | <b>9,189</b>       | <b>12,512</b> | <b>(22,345)</b> | <b>287,566</b> |
| <b>Results</b>  |                    |   |                                   |                |                    |               |                 |                |
| Segment results   | (23,535)           | (38,403)                                | 6,215                             | 6,510          | (7,776)            | (5,661)       | (14,147)        | (76,797)       |
| Share of results of associates and joint venture                              | (34)               | -                                       | (4)                               | -              | -                  | -             | -               | (38)           |
| Profit/(Loss) before tax  | (23,569)           | (38,403)                                | 6,211                             | 6,510          | (7,776)            | (5,661)       | (14,147)        | (76,835)       |
| Income tax expense  |                    |   |                                   |                |                    |               |                 | (3,790)        |
| Net profit/(loss) for the financial year                                      |                    |   |                                   |                |                    |               |                 | (80,625)       |
| Non-controlling interests   |                    |   |                                   |                |                    |               |                 | 31,286         |
| Net profit/(loss) for the financial year attributable to owners of the parent |                    |   |                                   |                |                    |               |                 | (49,339)       |

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

9. Segmental Information (Continued)

For the financial year ended 31 December 2023 (Continued)

|  | Investment Holding | Information & Communications Technology | Property Development & Investment | Travel & Tours | Financial Services | Others | Eliminations | Total   |
|--|--------------------|---|-----------------------------------|----------------|--------------------|--------|--------------|---------|
|  | RM'000             | RM'000                                  | RM'000                            | RM'000         | RM'000             | RM'000 | RM'000       | RM'000  |
| <b><u>Other information</u></b>            |                    |   |                                   |                |                    |        |              |         |
| Segment assets                             | 38,696             | 185,912                                 | 443,827                           | 21,564         | 24,307             | 23,582 | -            | 737,888 |
| Investment in associates and joint venture | 3,831              | -                                       | 102                               | -              | -                  | -      | -            | 3,933   |
| Unallocated corporate assets               |                    |   |                                   |                |                    |        |              | 5,592   |
| Total assets                               |                    |   |                                   |                |                    |        |              | 747,413 |
| Segment liabilities                        | 7,728              | 16,735                                  | 203,902                           | 9,961          | 10,028             | 5,591  | -            | 253,945 |
| Unallocated corporate liabilities          |                    |   |                                   |                |                    |        |              | 5,236   |
| Total liabilities                          |                    |   |                                   |                |                    |        |              | 259,181 |
| Capital expenditure:                       |                    |   |                                   |                |                    |        |              |         |
| - Property, plant & equipment              | 345                | 682                                     | 6,829                             | 13             | 214                | 193    | -            | 8,276   |
| - Software development expenditure         | -                  | 1,008                                   | -                                 | -              | 2,269              | -      | -            | 3,277   |

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 10. Property, plant and equipment

The valuation of land and buildings had been brought forward without amendment from the financial statements for the financial year ended 31 December 2023.

### 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 20 March 2024, Medical Palace Sdn Bhd, an indirect wholly-owned subsidiary of the Company, was struck off from the register under Section 550 of Companies Act 2016 and henceforth dissolved following the publication of the notice of striking off in the Gazette on 20 March 2024.
- (b) On 17 April 2024, Alam Samudera Corporation Sdn Bhd (“ASCBS”), a wholly-owned subsidiary of the Company, disposed its entire equity interest of 1,043,000 ordinary shares representing 100% of issued share capital of Synergy Tours (Borneo) Sdn Bhd (“STB”) for a total cash consideration of RM50,000.00 to Mohamad Ferrus bin Said and Amir Hamzah bin Mohd Yusof. Consequently, STB ceased to be a subsidiary of the Company.
- (c) On 14 May 2024, with the final gazette notice for Beaver Hotels Limited (“BHL”), an indirect wholly-owned subsidiary of the Company registered in England and Wales, published by Companies House, BHL was officially deregistered.
- (d) On 12 August 2024, Aras Tiga Sdn Bhd (“ATSB”) was incorporated with an issued and paid-up ordinary share capital of RM100.00. ATSB is a 70% owned subsidiary of Advance Synergy Realty Sdn Bhd, a wholly owned subsidiary of the Company.
- (e) On 30 December 2024, Alangka-Suka Hotels & Resorts Sdn Bhd disposed its entire equity interest of 250,000 ordinary shares representing 100% of the issued share capital of Holiday Villa Travel & Tours Sdn Bhd (“HVTT”) to Holiday Villa Hotels & Resorts Sdn Bhd for a total consideration of RM5,000.00. Consequently, HVTT ceased to be a subsidiary of the Company.

Save for the above, there were no changes in the composition of the Group during the financial year ended 31 December 2024.

### 13. Changes in contingent liabilities

There are no changes in contingent liabilities since the last annual statements of financial position as at 31 December 2023.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 14. Review of performance

|   | Year-to-date      |                   | Changes  |        |
|---|-------------------|-------------------|----------|--------|
|   | 12 months ended   |                   | RM'000   | %      |
|   | <u>31.12.2024</u> | <u>31.12.2023</u> |          |        |
|   | RM'000            | RM'000            |          |        |
| Revenue   | 270,507           | 287,566           | (17,059) | (5.9)  |
| Profit/(Loss) from operations   | (64,076)          | (66,629)          | 2,553    | 3.8    |
| Profit/(Loss) before tax  | (72,214)          | (76,835)          | 4,621    | 6.0    |
| Net profit/(loss) for the financial year  | (75,632)          | (80,625)          | 4,993    | 6.2    |
| Net profit/(loss) for the financial year attributable to the Owners of the Parent | <u>(58,728)</u>   | <u>(49,339)</u>   | (9,389)  | (19.0) |

#### *Overall performance*

For the current financial year ended 31 December 2024 (“FY 2024”), the Group recorded lower revenue of RM270.5 million compared to RM287.6 million in the previous financial year ended 31 December 2023 (“FY 2023”), reflecting a decrease of RM17.1 million or 5.9%. All divisions reported lower revenue in FY 2024 compared to FY 2023, except for Investment Holding and Others divisions. The higher revenue recorded by the Investment Holding division was mainly due to higher dividend income from a subsidiary which had no impact on the Group results.

The Group recorded a lower loss before tax of RM72.2 million in FY 2024, compared to a loss of RM76.8 million in FY 2023, mainly due to favourable results across all divisions except for Financial Services and Property Development & Investment divisions.

#### *Investment Holding*

In FY 2024, the division recorded higher revenue of RM40.0 million, compared to RM20.8 million in FY 2023, primarily attributable to a higher dividend of RM34.4 million received from a subsidiary and higher intercompany management fees charged, both of which had no impact on the Group’s overall revenue. The division recorded a profit before tax of RM15.2 million, compared to a loss before tax of RM23.6 million in FY 2023. This was mainly due to higher dividend income from a subsidiary, which had no impact on the Group’s overall results, as well as lower impairment loss on goodwill relating to the investment in the Information & Communications Technology division of RM7.7 million in FY 2024 (FY 2023: RM25.2 million) and a lower fair value loss on the venture investment portfolio of RM1.0 million in FY 2024 (FY 2023: RM2.8 million).

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 14. Review of performance (Continued)

#### *Information & Communications Technology*

The division recorded lower revenue of RM59.9 million in FY 2024 compared to RM62.2 million in FY 2023, a drop of approximately 3.7%. The decline was mainly attributable to lower revenue from Unifiedcomms revenue share contract.

Despite the lower revenue, the division reported a lower loss before tax of RM29.3 million in FY 2024 compared to loss before tax of RM38.4 million in FY 2023. This was mainly attributable to lower impairment loss on goodwill of RM7.3 million in FY 2024 (FY 2023: RM14.3 million) and lower fair value loss on the venture investment portfolio of RM21.2 million in FY 2024 (FY 2023: RM23.0 million) partly offset by an impairment loss on property, plant, and equipment (“PPE”) of RM0.4 million in FY 2024 (FY 2023: NIL). Excluding the impairment and fair value losses from both years, the division recorded a lower loss of RM0.4 million in FY 2024 compared to a loss of RM1.1 million in FY 2023, despite the lower revenue, mainly due to a higher gross profit margin, partly offset by higher net operating expenses and lower interest income in FY 2024 compared to FY 2023.

The division's higher gross profit margin of 53.5% in FY 2024 compared to 46.6% in FY 2023 was mainly due to higher margins from Unifiedcomms revenue share contracts, which typically yield a higher gross profit margin, as well as a lower revenue contribution from certain lower-margin revenue sharing contracts.

The division's higher net operating expenses in FY 2024 were mainly attributable to increased technical support expenses due to the headcount increase at GlobeOSS business unit, coupled with a slight increase in finance costs.

#### *Property Development & Investment*

The division recorded revenue of RM29.2 million in FY 2024, lower compared to the revenue of RM45.4 million in FY 2023, mainly due to lower revenue from the hospitality unit following the cessation of operations of Langkawi hotel after the termination of lease at the end of FY 2023. This was partly offset by the higher revenue from Property Development unit in FY 2024.

The division reported a loss before tax of RM21.7 million in FY 2024 compared to profit before tax of RM6.2 million in FY 2023, mainly due to a net gain of RM38.6 million from the termination of lease of the Langkawi hotel recorded in FY 2023, whereas FY 2024's results included an impairment loss of RM11.9 million on the PPE for the Holiday Villa Hotel & Residence Jiading P.R.C. (“Shanghai hotel”).

However, the abovementioned impact was partly mitigated by the absence of RM15.7 million impairment loss for The Marloes, our aparthotel in London, which was recorded in FY 2023, a gain on disposal of City Villa of RM2.3 million in FY 2024, and a lower impairment loss on right-of-use asset of Shanghai hotel lease of RM2.2 million compared to the impairment loss of RM6.0 million recorded in FY 2023.



## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 14. Review of performance (Continued)

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

##### Investment (Continued)

##### Development

The property development unit, Advance Synergy Realty Sdn Bhd (“ASR”), recorded a slightly higher revenue of RM2.3 million in FY 2024 compared to FY 2023 arising from progress billing on the sale of terrace house units under Federal Park Phase 2 project as the construction of the project is at the last stage of construction. This unit recorded a slightly lower loss before tax of RM1.9 million for FY 2024 compared to loss before tax of RM2.0 million in FY 2023 mainly due to the flow-down effect of higher revenue.

##### Investment

The property investment unit recorded lower revenue of RM26.9 million in FY 2024 compared to revenue of RM45.2 million in FY 2023 mainly due to lower revenue from the hospitality unit and food and beverage (“F&B”) business operated by Osteria Gamberoni Sdn Bhd (“OGSB”). In FY 2023, OGSB recorded higher revenue than the current year under review as consumer demand surged following the relaxation of extended lockdown due to the COVID-19 pandemic leading to increased dining out in the earlier period after lockdown was lifted.

Our hospitality unit recorded a significant drop in revenue, from RM37.2 million in FY 2023 to RM19.1 million in FY 2024, reflecting a decrease of approximately RM18.1 million or 48.7%, resulting from cessation of business of Langkawi hotel after the termination of its lease at the end of FY 2023. This was partly mitigated by increased revenue from the Holiday Villa Beach Resort & Spa Cherating (“Cherating hotel”) and The Marloes, which was fully operational in April 2024.

In FY 2024, the hospitality unit recorded a loss before tax of RM15.7 million compared to a profit before tax of RM12.8 million in FY 2023. The was primarily attributable to the flowdown effect of lower revenue as mentioned above, the absence of a net gain from the termination of Langkawi hotel lease of RM38.6 million and an impairment loss of RM11.9 million on the PPE for the Shanghai hotel recorded in FY 2024. These losses were partly mitigated by the absence of RM15.7 million impairment loss for The Marloes, our aparthotel in London, which was recorded in FY 2023, a gain on disposal of City Villa of RM2.3 million in FY 2024, and a lower impairment loss on a right-of-use asset of Shanghai hotel lease of RM2.2 million (FY 2023: RM6.0 million).

The Cherating hotel reported a slightly lower profit before tax of RM0.8 million in FY 2024, down from RM1.1 million in FY 2023, despite the higher revenue in FY 2024. This was mainly due to lower gross profit margin in FY 2024 compared to the previous year. The Marloes reported a lower loss of RM5.0 million in FY 2024 compared to a loss of RM21.9 million in FY 2023, mainly due to the absence of a RM15.7 million impairment loss on the aparthotel recorded in FY 2023.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 14. Review of performance (Continued)

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

##### Investment (Continued)

Our hospitality unit recorded an impairment loss of RM11.9 million on the PPE for the Shanghai hotel and a further impairment of RM2.2 million on the right-of-use asset for its lease (FY 2023: RM6.0 million) in FY 2024. However, the impairment losses were mitigated by a RM2.1 million gain from the effect on modification of lease terms for Shanghai hotel. Excluding the above mentioned impairment losses, Shanghai hotel recorded a higher loss before tax of RM2.6 million in FY 2024, compared to RM2.2 million in FY 2023, mainly due to lower revenue.

Our investment property, Yap Ah Shak House (“YASH”), which currently houses the F&B and serviced office businesses, recorded lower revenue of RM4.9 million in FY 2024 compared to RM5.1 million in FY 2023 mainly due to lower revenue from our F&B business. Consequently, a higher loss before tax of RM3.2 million was recorded in FY 2024 compared to a loss before tax of RM2.5 million in FY 2023. Besides the hospitality unit and YASH, there was no significant impact in FY 2024 compared to FY 2023 from the other properties as most are leased to the Group with no major changes in rental income.

#### *Travel & Tours*

Our Travel & Tours division recorded slightly lower revenue in FY 2024 of RM155.6 million compared to RM159.8 million in FY 2023, reflecting a decrease of approximately RM4.1 million or 2.6%. FY 2023 was an exceptional growth year for the travel and tourism sector after the COVID-19 pandemic. Despite the lower revenue recorded from the travel and tours business, the division recorded a slightly higher profit before tax of RM7.0 million in FY 2024 compared to RM6.5 million in FY 2023 mainly due to a higher gross profit margin achieved by the division.

#### *Financial Services*

The Financial Services division comprising the card & payment services and money services units recorded lower revenue of RM4.6 million in FY 2024 compared to RM9.2 million in FY 2023, mainly due to a decrease in gross processing volume recorded from its merchants. With the lower revenue, coupled with higher operating costs from higher international payment scheme (“IPS”) licence fee, and a foreign exchange loss of RM0.2 million in FY 2024 compared to a foreign exchange gain of RM0.1 million in FY 2023, the division recorded a higher loss before tax of RM9.4 million in FY 2024, compared to loss before tax of RM7.8 million in FY 2023. However, this was partly offset by improved gross profit margin of 20% in FY 2024 compared to 16% in FY 2023.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 14. Review of performance (Continued)

#### *Others*

The Others division recorded higher revenue of RM23.6 million in FY 2024 compared to the revenue of RM12.5 million in FY 2023. This was mainly driven by a higher number of buses exported by the bus-body fabrication unit in FY 2024 compared to FY 2023, after resolving the logistical issues faced in FY 2023. With the higher revenue, the bus-body fabrication unit reported a minimal loss before tax in FY 2024 compared to a loss before tax of RM4.8 million in FY 2023. The education unit also recorded a higher revenue of RM0.8 million in FY 2024 compared to RM0.5 million in FY 2023. With the higher revenue, the unit reported a lower loss before tax of RM0.5 million in FY 2024 compared to loss before tax of RM0.8 million in FY 2023.

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

|   | Quarter           |                   | Changes  |         |
|---|-------------------|-------------------|----------|---------|
|   | 3 months ended    |                   | RM'000   | %       |
|   | <u>31.12.2024</u> | <u>30.09.2024</u> |          |         |
|   | RM'000            | RM'000            |          |         |
| Revenue   | 82,288            | 64,613            | 17,675   | 27.4    |
| Profit/(Loss) from operations   | (28,996)          | (18,055)          | (10,941) | (60.6)  |
| Profit/(Loss) before tax  | (30,862)          | (20,170)          | (10,692) | (53.0)  |
| Net profit/(loss) for the financial period  | (33,610)          | (20,897)          | (12,713) | (60.8)  |
| Net profit/(loss) for the financial period attributable to the Owners of the Parent | <u>(32,045)</u>   | <u>(11,682)</u>   | (20,363) | (174.3) |

#### *Overall performance*

The Group recorded higher revenue of RM82.3 million for current quarter ended 31 December 2024 (“Q4 2024”) compared to the revenue of RM64.4 million in the preceding quarter ended 30 September 2024 (“Q3 2024”), mainly due to higher revenue from all divisions except for Investment Holding.

However, the Group reported a higher loss before tax of RM30.9 million in Q4 2024 compared to a loss of RM20.2 million in Q3 2024. This was mainly due to an impairment loss on PPE of RM12.2 million, primarily relating to the PPE for the Shanghai hotel, RM2.2 million impairment loss on the right-of-use asset of the Shanghai hotel, and an impairment loss of RM15.0 million on goodwill relating to the investment in the Information & Communications Technology division recognised in Q4 2024. The abovementioned impairment losses were partly offset by a lower fair value loss assessed on the venture investment portfolio of RM0.2 million in Q4 2024 compared to a loss of RM15.3 million in Q3 2024.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

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

#### *Investment Holding*

The division recorded lower revenue of RM1.2 million in Q4 2024 compared to RM1.3 million in Q3 2024 and a higher loss before tax of RM12.4 million in Q4 2024 compared to a loss before tax of RM1.9 million in Q3 2024. The higher loss was mainly due to an impairment loss of RM7.7 million on goodwill relating to the investment in the Information & Communications Technology division (Q3 2024: NIL) and a fair value loss of RM1.0 million on unquoted venture investments (Q3 2024: NIL). The impairment losses were partly mitigated by dividends received from various investment securities of RM1.2 million in Q4 2024 (Q3 2024: NIL).

#### *Information & Communications Technology*

The division recorded higher revenue of RM20.7 million in Q4 2024 compared to RM16.3 million in Q3 2024, driven by higher revenue from Unifiedcomms and GlobeOSS system sale contracts. With a fair value gain of RM0.8 million recognised on the venture investment portfolio in Q4 2024, as opposed to a fair value loss of RM15.3 million in Q3 2024, partly offset by an impairment loss of RM7.3 million on goodwill recognised in Q4 2024 (Q3 2024: NIL) and impairment loss of RM0.4 million on the PPE recognised in Q4 2024 (Q3 2023: NIL), the division reported a lower loss before tax of RM5.3 million in Q4 2024 compared to a loss before tax of RM14.4 million in Q3 2024.

Excluding these impairment and fair value adjustments, the division achieved a higher profit before tax of RM1.6 million in Q4 2024, compared to profit of RM0.9 million in Q3 2024. This was mainly driven by the flow-down effect of higher revenue, partly offset by a lower gross profit margin of 53% in Q4 2024 compared to 60% in Q3 2024, which was mainly due to a higher revenue contribution from GlobeOSS system sale contracts, which typically yield lower gross profit margins.

#### *Property Development & Investment*

The division recorded a slightly higher revenue of RM8.4 million in Q4 2024 compared to revenue of RM8.3 million in the previous quarter.

In the quarter under review, the division reported a higher loss before tax of RM12.2 million compared to loss before tax of RM2.6 million in the previous quarter, primarily due to the higher losses from the property investment and hospitality units.

#### Development

The property development unit, ASR, recorded revenue of RM1.5 million in Q4 2024 (Q3 2024: RM0.6 million) arising from progress billing on the sale of terrace house units under Federal Park Phase 2 as the construction of the Federal Park Phase 2 is at its last stage of construction and the sale of one apartment unit at Synergy Square. The unit registered a lower loss before tax of RM0.3 million in Q4 2024 compared a loss of to RM0.5 million in Q3 2024 mainly due to higher revenue, coupled with lower operating expenses in Q4 2024 compared to Q3 2024.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

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

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

##### Investment

The property investment unit recorded lower revenue of RM6.8 million in Q4 2024 compared to RM7.7 million in Q3 2024 mainly attributable to our hospitality business, which reported lower revenue for Q4 2024 of RM4.7 million compared to RM5.8 million in Q3 2024, with all hotels recording lower revenue in the quarter under review. Overall, the hospitality unit achieved higher average room rates but lower average occupancy rates in Q4 2024 compared to Q3 2024.

The hospitality unit recorded a higher loss before tax of RM10.7 million in Q4 2024, compared to a loss before tax of RM1.0 million in Q3 2024. This was mainly due to impairment loss on the PPE for the Shanghai hotel of RM11.9 million and an impairment loss on right-of-use asset for the Shanghai hotel of RM2.2 million, both of which were recognised in Q4 2024. However, this was partly offset by a gain from the completion of the disposal of City Villa of RM2.3 million.

The other property investment unit, YASH recorded higher revenue of RM1.4 million in Q4 2024 compared to RM1.2 million in Q3 2024. However, YASH reported a higher loss before tax of RM1.1 million in Q4 2024 compared to a loss of RM0.8 million in Q3 2024, mainly due to pre-operating expenses incurred for our new F&B business, Alma Dining, following the commencement of operations in November 2024.

##### *Travel & Tours*

The division recorded higher revenue of RM47.0 million in Q4 2024 compared to the revenue of RM34.8 million in Q3 2024 mainly due to higher sales from corporate ticketing and series tours during the quarter under review. As a result, the division achieved a higher profit before tax of RM2.3 million in Q4 2024 compared to profit before tax of RM1.4 million in Q3 2024.

##### *Financial Services*

The Financial Services division recorded a slightly higher revenue of RM1.3 million in Q4 2024 compared to RM1.2 million in Q3 2024 mainly due to the commencement of trade financing business in September 2024, which contributed to the overall higher revenue for current quarter under review. The bulk of the revenue for the division was generated by the card & payment services unit, with minimal contribution from the money services unit. With the higher revenue, the division reported a lower loss of RM2.1 million in Q4 2024 compared to a loss of RM2.9 million in Q3 2024.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

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

#### *Others*

The Others division recorded higher revenue of RM5.6 million in Q4 2024 compared to RM4.6 million in Q3 2024. Despite the higher revenue, the division reported higher loss before tax of RM1.1 million in Q4 2024 compared to a loss before tax of RM0.5 million in Q3 2024. This was mainly due to unfavourable exchange rate fluctuations of Australian dollar against RM in the bus fabrication unit, resulting in foreign exchange loss on the trade receivables. The education unit recorded a loss before tax in Q4 2024 compared to profit before tax in Q3 2024 mainly due to the flow down effect of lower revenue and higher net operating expenses as the unit moved its education centre to a new premise during the current quarter under review.

### 16. Prospects

The Group remains mindful of the ongoing inflationary pressures, 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 performance is critical.

#### *Information & Communications Technology*

The outlook of Unifiedcomms and GlobeOSS has been challenging, particularly within the telecommunication industry. The diminished performance of certain major managed service contracts, intensified pricing pressures, and delays in securing new opportunities are adversely affecting the business of Unifedcomms and GlobeOSS. As a result, their performance for the current year under review has been lower than expected. On the business front, both Unifiedcomms and GlobeOSS continue to progress with contracts in-hand. The division remains hopeful that new projects and initiatives requiring its products and services will continue to be pursued by customers. The possibility remains however, that larger system sale contracts and certain managed service contracts, which have yet to be committed in the current year under review, may be further deferred or even abandoned entirely if 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. This has resulted in a fair value loss of RM21.2 million in the Captii Ventures investment portfolio for the year under review.

Against this negative industry backdrop for the future, the division remains optimistic and will continue to work closely with customers and investees, to minimise the negative impact on its financial performance.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 16. Prospects (Continued)

#### *Property Development & Investment*

##### Development

Phase 2 of the Federal Park project which comprises 88 units of double storey terrace houses and 28 units of single storey terrace houses has achieved 90% completion in construction works by end of January 2025. The showhouse was completed and made available for viewing in August 2024. The showhouse had attracted encouraging responses for the project. ASR managed to achieve 30% of confirmed booking in sales by end January of 2025. Phase 2 of the Federal Park project is expected to be fully sold in year 2025 and contribute significantly towards the results for year 2025.

Meanwhile, the development works of Sejijak Project are now ready for commencement. This project comprises 88 units of double storey terrace houses, 80 units of townhouses and 40 units of single storey terrace houses.

Phase 2 of the Federal Park project is expected to generate a total revenue of RM57.9 million while Sejijak project has an estimated gross development value of RM75 million. With these two new projects generating a total gross development value in excess of RM130 million, the property development unit is set to turn the corner towards profitability for the year 2025 onwards.

The property market in Kuching is expected to remain soft due to various issues such as escalated construction costs, labour shortages, interest rates hike and tightening of end financing for buyers. Although the market environment is challenging on many fronts, ASR is confident to navigate through this tough period with its longstanding experience in the property market. ASR will adopt a more cautious approach in new project launches and explore improvement in various areas such as cost effective and attractive new building designs and remain competitive in the market.

##### Investment

The hospitality unit is hopeful that the gradual recovery in the business with the pent-up demand for travel will continue. Though growth is very much dependant on geographical region of the hotels, the unit remains cautious on the hospitality industry's growth in the coming year due to external pressures such as continuing pressures from rising costs, staff shortage, recessionary risks and geopolitics concerns which may drag down the industry.

Cherating remains a popular destination for local tourists. However, the fourth quarter is typically the lowest period for tourism on the east coast of Peninsular Malaysia due to the Northeast Monsoon. On a brighter note, with the newly refurbished hotel rooms and villa pool suites, coupled with the ongoing upgrades and the refurbishment of our ballroom, we anticipate an improvement in the hotel's performance.

Our aparthotel in Earls Court, London, The Marloes, was fully operational from April 2024. The demand for UK hotels may however face some uncertainties 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.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 16. Prospects (Continued)

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

##### Investment (Continued)

Although China's economy exhibits signs of post pandemic recovery, our hospitality unit remains cautiously optimistic as it faces a slow rebound in occupancy and average room rates in the Shanghai hotel. In addition, the troubled property sector and lingering geopolitical tensions may derail the recovery of the travel industry when considering the outlook which is anticipated to remain challenging for our Shanghai hotel.

YASH in Kuala Lumpur, a high-quality mixed-use property after undergoing a review and revamp in its operations, will feature F&B venues, and an event hall as a destination for music, arts and culinary experiences, complementing its existing serviced office business. With this new business roadmap, the division anticipates income potential from YASH once it is fully operational in first half of fiscal 2025.

#### *Travel & Tours*

Our Travel & Tours division's performance continued to improve in fiscal 2024 and the division remains cautiously optimistic about its performance for fiscal 2025 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 develop more competitive inbound and outbound travel products and services remains.

#### *Financial Services*

The division comprises Paydee Sdn Bhd ("Paydee") which is engaged in card & payment services; Paydee Nura Sdn Bhd ("Nura") which is engaged in the provision of solutions for cash flow management for both small and medium-sized enterprises ("SME") and individuals through Shariah-compliant financing; and Qurex Sdn Bhd ("Qurex") which is involved in money services, namely currency exchange and international remittance services.

Paydee will continue to focus on the evolution of its New Payment Application Services ("NPAS"). NPAS aims to deliver innovative business-to-business ("B2B") payment application services to address several high-potential SME business segments, as well as to be the non-bank partner of choice for payment facilitators addressing the growing e-commerce and social commerce markets.

Nura launched its Shariah-compliant financing and SME cashflows management products in Q1 2024 and Q4 2024 respectively, as part of the NPAS offering of the division.

Key areas of focus for both Paydee and Nura include investment in technology renewal and the development of new capabilities and the recruitment of additional staff to further enhance, operate and manage the NPAS as well as efforts to identify and evaluate opportunities for business collaboration.



## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 16. Prospects (Continued)

#### *Financial Services (Continued)*

Qurex intends to synergise with Paydee for its growth plan and pending the full implementation of a new product roadmap, Qurex does not anticipate its existing businesses to grow substantially in the near future.

#### *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. The unit will continue to focus on the Australia market as it anticipates a strong demand for the buses to Australia and with bus body orders in hand, there is a cautious optimism in the sale of the 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 gear up its production of bus-body fabrication to 20 buses per month over the next two years in line with the expected increase in orders from the Australia 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.

Our education unit represented by The Language House, (“TLC”) has achieved strategic successes by expanding its course offerings and global presence. Our collaborations have successfully opened doors to key markets in East Asia, including China and Korea, driving a notable increase in enrolments over the past quarter.

To further strengthen our presence, TLH has relocated to a more strategically positioned campus in downtown Kuala Lumpur. This new location, combined with enhanced support services, reinforces our commitment to an inclusive and globally connected educational experience. Additionally, by designing culturally and academically relevant programmes and engaging alumni as language ambassadors, we have cultivated a dynamic and supportive learning community.

Leveraging digitalized content, we continue to enrich the learning experience, providing valuable resources that complement and enhance language acquisition.

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

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

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

Not applicable.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 19. Income tax expense

|                            | <b>3 months<br/>ended<br/><u>31.12.2024</u><br/>RM'000</b> | <b>Year-to-date<br/>ended<br/><u>31.12.2024</u><br/>RM'000</b> |
|----------------------------|--|--|
| On current quarter results |  |  |
| - Corporate income tax     | (2,748)  | (3,418)  |

The effective income tax rate of the Group for the current quarter and year-to-date ended 31 December 2024 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”). On 31 December 2024, the Company announced that the Proposed City Villa Disposal has been completed.

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

**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 31 December 2024 is as follows:

|                              | <b>Proposed<br/>Utilisation<br/>RM'000</b> | <b>Utilisation<br/>to-date<br/>RM'000</b> | <b>Balance<br/>unutilised<br/>RM'000</b> | <b>Intended<br/>timeframe for<br/>Utilisation<br/>from 08.11.2019</b> | <b>Extended<br/>timeframe<br/>for<br/>Utilisation</b> |
|------------------------------|--|---|--|---|---|
| Repayment of borrowings      | 61,340                                     | 61,336 *                                  | -  | Within 3 months   | -   |
| Working capital of the Group | 51,900                                     | 49,282 *                                  | 2,622                                    | Within 12 months  | Additional 48<br>months                               |
| Expenses for the disposal    | 10,760                                     | 10,760                                    | -  | Within 3 months   | -   |
|                              | <u>124,000</u>                             | <u>121,378</u>                            | <u>2,622</u>                             |   |   |

\* 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 the Rights Issue**

The status of utilisation of proceeds raised from the Rights Issue as at 31 December 2024 is as follows:

|  | <b>Proposed<br/>Utilisation<br/>RM'000</b> | <b>Utilisation<br/>to-date<br/>RM'000</b> | <b>Balance<br/>unutilised<br/>RM'000</b> | <b>Intended timeframe<br/>for Utilisation<br/>from 04.11.2022</b> |
|--|--|---|--|---|
| Investment in existing businesses<br>and/or future business expansion/<br>new strategic investment | 53,200                                     | 52,055                                    | 1,145                                    | Within 36 months  |
| Working capital  | 25,600                                     | 25,618 *                                  | -  | Within 36 months  |
| Expenses for the Rights Issue  | 1,200                                      | 1,182 *                                   | -  | Immediately   |
|  | <u>80,000</u>                              | <u>78,855</u>                             | <u>1,145</u>                             |   |

\* 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.

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

**23. Utilisation of proceeds from termination of lease for Langkawi Holiday Villa Sdn Bhd (“LHV”)**

The status utilisation of proceeds from termination of lease for LHV as at 31 December 2024 is as follows:

|                              | <b>Proposed<br/>Utilisation<br/>RM'000</b> | <b>Utilisation<br/>to-date<br/>RM'000</b> | <b>Balance<br/>unutilised<br/>RM'000</b> | <b>Intended timeframe<br/>for Utilisation<br/>from 01.01.24</b>    |
|------------------------------|--|---|--|--|
| Working capital of the Group | 29,890                                     | 38,117 *                                  | -  | Within 36 months from the<br>Completion                            |
| Incidental expenses          | 15,050                                     | 6,823 *                                   | -  | Within 12 months from the<br>Unconditional Date                    |
| Expenses for the termination | 60   | 60  | -  | Within 6 months from date of<br>the Lease Termination<br>Agreement |
|                              | <u>45,000</u>                              | <u>45,000</u>                             | <u>-</u>                                 |  |

\* The remaining amount of RM8.2 million which was not utilised for incidental expenses in relation to the termination of lease for LHV was utilised for working capital of the Group.

**24. Group borrowings**

Details of the borrowings by the Group are as follows:

|                             | <b>As at<br/>31.12.2024<br/>RM'000</b> | <b>As at<br/>31.12.2023<br/>RM'000</b> |
|-----------------------------|--|--|
| <b>Short term - secured</b> |  |  |
| - Term loans                | 9,679                                  | 10,302                                 |
| - Revolving credit          | 10,000                                 | 39,000                                 |
|                             | <u>19,679</u>                          | <u>49,302</u>                          |
| <b>Long term - secured</b>  |  |  |
| - Term loans                | 74,952                                 | 85,632                                 |
|                             | <u>74,952</u>                          | <u>85,632</u>                          |
| <b>Total borrowings</b>     | <u>94,631</u>                          | <u>134,934</u>                         |

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 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

On 29 September 2020, Antara Holiday Villas Sdn. Bhd. (“Plaintiff”) initiated a legal action against Tedulous Travel & Tours Sdn Bhd (“Defendant”) for inter alia the infringement of the “La Villa” trademark (“Suit”). On 28 August 2024, the High Court dismissed the Suit and allowed the Defendant's counterclaim with costs and damages (if any) to be further assessed. Pursuant thereto, the Plaintiff have since filed an appeal against the Judgment to the Court of Appeal as well as a stay of execution of the High Court Judgment in the High Court.

On 24 January 2025, the Kuala Lumpur High Court had granted a partial stay of execution of the High Court Judgment wherein it was directed that the Order for the expungement of the impugned Trademarks from the Register of Trademarks be stayed pending the full disposal of the Appeal in the Court of Appeal.

The case management for the appeal in the Court of Appeal is now fixed on 7 March 2025, whereas the Hearing for the assessment of damages in the Kuala Lumpur High Court has now been fixed on the 21<sup>st</sup> and 22<sup>nd</sup> of August 2025. The Suit is not expected to materially affect the financial position or business of the Group.

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

27. Notes To The Statement of Comprehensive Income

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

|   | <b>12 months<br/>ended<br/><u>31.12.2024</u><br/>RM'000</b> | <b>12 months<br/>ended<br/><u>31.12.2023</u><br/>RM'000</b> |
|---|---|---|
| Amortisation of intangible assets                   | (744)   | (707)   |
| Depreciation  | (11,884)  | (15,480)  |
| Dividend received                                   | 840   | 54  |
| Effect of modification to lease terms               | 2,354   | 2,968   |
| Fair value change in unquoted investment securities | (22,247)  | (25,871)  |
| Fair value change in quoted investment securities   | 66  | (205)   |
| Fair value change in investment properties          | 700   | 200   |
| (Impairment loss)/Reversal of impairment loss on:   |   |   |
| - goodwill  | (15,035)  | (39,465)  |
| - intangible assets                                 | (705)   | -   |
| - investment in associates                          | (25)  | -   |
| - trade and other receivables                       | 806   | (1,727)   |
| - amount owing from associate                       | (254)   | -   |
| - right-of-use assets                               | (2,174)   | (6,000)   |
| - property, plant and equipment                     | (12,236)  | (15,707)  |
| - investment in unquoted shares                     | (1,693)   | -   |
| Interest expenses                                   | (10,544)  | (11,416)  |
| Interest income                                     | 2,697   | 2,345   |
| Inventory written down                              | -   | (1,664)   |
| Net gain/(loss) on disposal of:                     |   |   |
| - property, plant and equipment                     | 2,275   | (2,942)   |
| - investment properties                             | (185)   | -   |
| Net gain on disposal of:                            |   |   |
| - quoted investment securities                      | 80  | 1   |
| Net gain on termination of lease agreement          | -   | 38,600  |
| Net unrealised loss on foreign exchange             | 277   | (215)   |
| Property, plant and equipment written off           | (3)   | (402)   |
| Reversal of impairment loss on:                     |   |   |
| Gain on disposal of a subsidiary                    | 37  | -   |
| Loss on dissolution of a subsidiary                 | (32)  | -   |

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 28. Dividend

The Board will decide on the recommendation of dividend after finalisation of the audited financial results for the financial year ended 31 December 2024.

### 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 RM32,045,000 and RM58,728,000 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:

|   | <b>3 months ended</b>    |                          | <b>Year-to-date ended</b> |                          |
|---|--------------------------|--------------------------|---------------------------|--------------------------|
|   | <b><u>31.12.2024</u></b> | <b><u>31.12.2023</u></b> | <b><u>31.12.2024</u></b>  | <b><u>31.12.2023</u></b> |
|   | <b>No. of shares</b>     |                          | <b>No. of shares</b>      |                          |
| Issued / weighted average number of ordinary shares | <u>2,529,194,943</u>     | <u>2,529,194,943</u>     | <u>2,529,194,943</u>      | <u>2,529,194,943</u>     |
|   |                          |                          |                           |                          |
|   | <b>3 months ended</b>    |                          | <b>Year-to-date ended</b> |                          |
|   | <b><u>31.12.2024</u></b> | <b><u>31.12.2023</u></b> | <b><u>31.12.2024</u></b>  | <b><u>31.12.2023</u></b> |
| Basic loss per share (sen)                          | <u>(1.27)</u>            | <u>(1.54)</u>            | <u>(2.32)</u>             | <u>(1.95)</u>            |

#### Diluted loss per share

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

|                              | <b>3 months ended</b>    |                          | <b>Year-to-date ended</b> |                          |
|------------------------------|--------------------------|--------------------------|---------------------------|--------------------------|
|                              | <b><u>31.12.2024</u></b> | <b><u>31.12.2023</u></b> | <b><u>31.12.2024</u></b>  | <b><u>31.12.2023</u></b> |
| Diluted loss per share (sen) | <u>(1.27)</u>            | <u>(1.54)</u>            | <u>(2.32)</u>             | <u>(1.95)</u>            |

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

**30. Status of E-commerce activities**

Not applicable.

BY ORDER OF THE BOARD  
**ADVANCE SYNERGY BERHAD**

K. JAYAVATHANI A/P KANAGARATNAM  
Company Secretary  
27 February 2025