

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2024**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter ended 31 Mar 2024 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31 Mar 2023 (Unaudited) RM'000	Current Year To-Date 31 Mar 2024 (Unaudited) RM'000	Preceding Year Corresponding Period 31 Mar 2023 (Unaudited) RM'000
Revenue	49,961	28,793	49,961	28,793
Cost of sale	(46,653)	(25,879)	(46,653)	(25,879)
Gross profit	3,308	2,914	3,308	2,914
Other Operating Income	208	374	208	374
Administrative and distribution expenses	(1,533)	(1,852)	(1,533)	(1,852)
Other Operating Expenses	(1,004)	(944)	(1,004)	(944)
Profit/(loss) before tax	979	492	979	492
Income tax expense	B5 (534)	(679)	(534)	(679)
Profit/(loss) after tax	445	(187)	445	(187)
Attributable to :				
Equity holders of the parent	12	(838)	12	(838)
Non-controlling Interest	433	651	433	651
	445	(187)	445	(187)
Earnings per share attributable to equity holders of parent :				
Basic (sen)	B13 0.003	(0.191)	0.003	(0.191)
Diluted (sen)	B13 0.003	(0.191)	0.003	(0.191)
EBITDA <sup>(1)</sup>	1,763	1,310	1,763	1,310

Note:-

<sup>(1)</sup> Profit before interest income, finance cost, tax, depreciation, amortisation and allowances.

(The unaudited Condensed Consolidated Income Statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024**

(The figures have not been audited)

	<b>Unaudited 31 Mar 2024 RM'000</b>	<b>Audited 31 Dec 2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	25,524	26,153
Right-of-use assets	4,408	3,842
Goodwill	33	33
	29,965	30,028
<b>Current Assets</b>		
Inventories	3,196	3,483
Trade receivables	17,016	15,837
Other receivables	3,928	3,848
Contract Assets	49,549	36,182
Tax recoverable	1,773	1,720
Deposit, cash and bank balances	17,664	22,860
	93,126	83,930
<b>TOTAL ASSETS</b>	123,091	113,958
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	89,442	89,323
Treasury shares	(280)	(280)
Reserves	(9,050)	(9,012)
	80,112	80,031
<b>Non-controlling interest</b>	5,110	4,677
<b>Total equity</b>	85,222	84,708
<b>Non-Current Liabilities</b>		
Term Loan	B7 3,997	4,374
Lease liabilities	B7 1,757	1,083
Contract Liabilities	-	1,104
Deferred taxation	36	36
	5,790	6,597
<b>Current Liabilities</b>		
Trade payables	19,387	10,456
Other payable & accruals	2,027	2,377
Amount due to director	16	16
Contract Liabilities	2,698	4,964
Bills payable	5,914	2,606
Term Loan	B7 582	347
Lease liabilities	B7 570	789
Taxation	885	1,098
	32,079	22,653
<b>Total liabilities</b>	37,869	29,250
<b>TOTAL EQUITY AND LIABILITIES</b>	123,091	113,958
Number of ordinary shares in issue ('000)	485,977	485,587
Net assets value per share (RM)	0.1754	0.1744

(The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024**  
(The figures have not been audited)

	<b>3 months Ended 31 Mar 2024 (Unaudited) RM'000</b>	<b>3 months Ended 31 Mar 2023 (Unaudited) RM'000</b>
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	979	492
Adjustment for :		
Depreciation of property, plant and equipment	647	645
Depreciation of right-of-use assets	168	165
Interest income	(67)	(54)
Bad debts written off	-	18
Interest expense - others	36	63
Net impairment (gain)/losses for financial instruments and contract assets	-	(137)
(Gain)/loss on termination of lease contracts	(128)	-
Operating profit before working capital changes	<u>1,635</u>	<u>1,192</u>
Working capital changes :		
(Increase)/ Decrease in inventories	288	140
(Increase)/ Decrease in contract assets	(13,367)	(9,986)
(Increase)/ Decrease in trade and other receivables	(1,261)	2,324
Increase/ (Decrease) in contract liabilities	(3,369)	140
Increase/ (Decrease) in trade and other payables	<u>8,580</u>	<u>9,005</u>
Cash (used in)/generated from operating activities	<u>(7,494)</u>	<u>2,815</u>
Tax paid	<u>(799)</u>	<u>(596)</u>
Net cash (used in)/generated from operating activities	<u>(8,293)</u>	<u>2,219</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net withdrawal/(placements) of short term investments	-	35
Interest received	67	54
Purchase of right-of-use assets	(42)	-
Purchase of property, plant and equipment (include PPE WIP)	(17)	(2)
Net (placement)/withdrawal of deposits under lien	<u>(1,079)</u>	<u>-</u>
Net cash (used in)/generated from investing activities	<u>(1,071)</u>	<u>87</u>

**CASHFLOWS FROM FINANCING ACTIVITIES**

Interest paid	(36)	(63)
Net repayment of term loans	(142)	(110)
Proceeds from issuance of shares pursuant to exercise of share options	69	-
Net addition/(repayments) of bill payables	3,307	-
Net repayments of principal portion of lease liabilities	(109)	(144)
Net cash generated from/(used in) financing activities	<u>3,089</u>	<u>(317)</u>
<b>Net (decrease in)/increase from cash and cash equivalents</b>	<b>(6,275)</b>	<b>1,989</b>
<b>Cash and cash equivalents at beginning period</b>	<b>14,054</b>	<b>6,153</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>7,779</u></b>	<b><u>8,142</u></b>

Cash and cash equivalents as at 31 Mar 2024 and 31 Mar 2023 comprise the following :

	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Deposit, cash and bank balances</b>	<b>17,664</b>	<b>16,496</b>
Less: Fixed deposits with licensed banks (pledged with bank for banking f.	(9,885)	(8,354)
Cash and cash equivalents	<b><u>7,779</u></b>	<b><u>8,142</u></b>

(The unaudited Condensed Consolidated Cashflow Statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2024**  
(The figures have not been audited)

	-----Non-distributable-----			Distributable	Total	Non-controlling	Total
	Share Capital	Option Reserve	Treasury Shares	Retained Earnings/ (Accumulated Losses)			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2023 (audited)	80,749	1,848	(280)	(11,024)	71,293	2,344	73,637
Issuance of ordinary shares pursuant to:-							
- Private placement	8,574	-	-	-	8,574	-	8,574
Profit for the financial year and total comprehensive profit for the financial year	-	-	-	164	164	2,333	2,497
At 31 Dec 2023 (audited)	89,323	1,848	(280)	(10,860)	80,031	4,677	84,708
As at 1 January 2024	89,323	1,848	(280)	(10,860)	80,031	4,677	84,708
Issuance of ordinary shares pursuant to:-							
- Exercise of Share Options	119	(50)	-	-	69	-	69
Loss for the financial year and total comprehensive loss for the financial year	-	-	-	12	12	433	445
At 31 Mar 2024 (unaudited)	89,442	1,798	(280)	(10,848)	80,112	5,110	85,222

<sup>1</sup> Effective from 31st January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purpose set out in Section 618 (3) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any members as a result of this transition.

(The unaudited Condensed Consolidated Changes In Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2024**

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING**

**A1. Basis of preparation**

The interim financial report of the Company and its subsidiaries ("Group") is unaudited and is prepared in accordance with MFRS 134 "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market and should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 31 December 2023.

**A2. Changes in accounting policies**

At the beginning of the current financial year, the Group and the Company adopted new amendments and improvements to MFRSs which are mandatory for the financial years beginning on or after 1 January 2024.

The adoption of the above did not have any significant impact on the financial statements of the Group.

Standards issued but Not Yet Effective

The Group and the Company have not early adopted the following new MFRS and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective :-

Effective for annual periods beginning on or after 1 January 2025

MFRS 121 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

Effective for annual periods beginning on or after a date to be determined by the MASB

Amendments to MFRS 10 and MFRS 128 - Consolidated Financial Statements and Investments in Associates and Joint Ventures  
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company will apply the above new MFRS and amendments to MFRSs that are applicable once they become effective. The initial application of the new MFRS and amendments to MFRSs is not expected to have any significant impact on the Group's and the Company's financial statements.

**A3. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 December 2023 was not subject to any qualification.

**A4. Seasonality or cyclicity factors**

The Group's operations were not affected by seasonal or cyclical changes.

**A5. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items or events affecting assets, liabilities, equity, net income or cash flows of the Group during the quarter under review.

**A6. Material changes in estimates**

There were no material changes in estimates that have a material effect in the current quarter results.

**A7. Debts and equity securities**

There were no other issuance, cancellation, resale, repurchase and repayment of debt and equity securities.

**A8. Dividends Paid**

There was no dividend paid during the quarter under review.



**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONTD.)**

**A10. Valuation of property, plant and equipment**

The Group did not revalue any of its property, plant and equipment during the quarter under review.

**A11. Material events subsequent to the end of the quarter**

There were no material events occurring subsequent to the end of the reporting period to the date of announcement.

**A12. Changes in the composition of the Group**

There were no changes in the composition of the Group for the quarter under review.

**A13. Contingent liabilities**

There were no material contingent liabilities as at the date of this announcement.

**A14. Capital commitment**

There were no material capital commitment as at the date of this announcement.

**A15. Significant Related Party Transaction**

There was no significant related party transaction as at the date of this announcement.



**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS FOR THE ACE MARKET**

**B1. Review of Performance**

**Comparison with corresponding quarter in previous financial year**

During the quarter, the Group achieved substantial revenue of RM49.96 million, marking a noteworthy increase of RM21.17 million compared to the RM28.79 million revenue from the corresponding quarter in the previous fiscal year. This significant surge in revenue was primarily driven by heightened sales within the industrial automation and plant construction business segment.

For the quarter ended 31 Mar 2024, the Group recorded a profit after tax ("PAT") of RM0.45 million. In contrast, during the same period in the prior year, ended 31 Mar 2023, the Group had reported a loss after tax ("LAT") of RM0.19 million. The profit margin in the current quarter was relatively low due to increased project costs, driven by rising material prices and higher manpower expenses.

**B2. Comparison with Preceding Quarter's Results**

The Group's revenue for the quarter under review totalled RM49.96 million, reflecting an increase of RM15.32 million compared to the RM34.64 million reported in the preceding quarter.

During the quarter, the Group realized a profit after tax of RM0.45 million, primarily contributed by the industrial automation and plant construction business segment.

**B3. Prospects for the financial year 2024**

The Group is proactively expanding its operations with a forward-thinking strategy that promises substantial success and long-term stability.

The industrial automation and plant construction segment remains the primary revenue driver, demonstrating strong performance. Additionally, other segments within the Group are improving, having secured significant orders throughout the quarter.

Furthermore, the Group is actively exploring mergers and acquisitions to broaden its business scope, with the aim of achieving greater success and stability over the long term.

On 25th May 2022, SOLBIO, the National Institute of Biotechnology Malaysia ("NIBM"), and CanSino signed a Memorandum of Understanding (MOU) regarding collaboration in human vaccine research and development. As of today, the parties are still in the process of finalizing a definitive agreement.

**B4. Profit guarantee**

The Group has not issued any profit forecast nor guarantee in respect of any corporate proposal.

**B5. Taxation**

	Quarter ended		Year-to-date	
	31 Mar 2024 RM'000	31 Mar 2023 RM'000	31 Mar 2024 RM'000	31 Mar 2023 RM'000
Current taxation				
-Provision for taxation	(534)	(679)	(534)	(679)
Deferred taxation	-	-	-	-
	<u>(534)</u>	<u>(679)</u>	<u>(534)</u>	<u>(679)</u>

**B6. Profit on sale of unquoted investments and/or properties**

There were no disposal of unquoted investment and/or properties for the quarter under review.

**B7. Group borrowings and debt securities**

Details of the Group's borrowings as at 31 Mar 2024 are as follows :

	Current RM'000	Non-current RM'000	Total RM'000
<b>Secured :</b>			
Hire purchase (included in lease liabilities)	172	607	779
Term loan	582	3,997	4,579
<b>Total</b>	<b>754</b>	<b>4,604</b>	<b>5,358</b>

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS FOR THE ACE MARKET (CONTD.)**

**B8. Status of Corporate Proposals**

**A) Update on Employees' Share Option Scheme (ESOS) as at 31 Mar 2024**

The Company had obtained its shareholders approval for the establishment of the ESOS of up to 30% of the total issued and paid-up share capital for the eligible employees and directors and its subsidiaries at the EGM dated 16 January 2014.

Below are the details of the shares that had been granted and exercised under the ESOS as at 31 Mar 2024:

ESOS Option Grant Date	Expiry Date	Exercise Price	No. of Share		No. of Share Lapsed	Status
			Granted	Exercised and Listed		
22 July 2014	29 Jan 2019	RM0.135	11,134,000	11,103,000	31,000	Completed
8 January 2015	29 Jan 2019	RM0.185	6,000,000	6,000,000	-	Completed
28 September 2016	29 Jan 2024	RM0.220	6,000,000	4,473,000	422,000	Expired
8 August 2020	29 Jan 2024	RM0.175	2,605,000	2,540,000	-	Expired
9 February 2022	29 Jan 2024	RM0.470	6,000,000	257,000	-	Expired

The Company's existing ESOS, which commenced on 30 January 2014, expired on 29 January 2024.

**B) Proposed Renewal of Authority for the Company to Purchase Its Own Shares**

The Renewal of Authority for Share Buy Back had been approved by shareholders at the Seventeenth Annual General Meeting of the Company. As at to date, the total number of treasury shares is 1,932,700.

**C) Utilisation of proceeds**

On 3 October 2023, M&A Securities, on behalf of the Board, formally announced the successful completion of the Private Placement. The listing of 43,968,600 Placement Shares on the ACE Market of Bursa Malaysia Securities Berhad resulted in total proceeds amounting to RM8,573,877. The proceeds will be utilised by the Group for research and development of human vaccines and working capital, the breakdown of the utilisation are as follows:

Purpose	Timeframe for Utilisation of Proceeds	Proposed Utilisation RM'000	Actual Utilisation RM'000
Research and development of human vaccines	Within 24 months	4,500	-
Working capital requirements	Within 24 months	3,934	854
Expenses for The Proposed Private Placement	Immediate	140	140

**B9. Realised/ Unrealised Profits**

	As at 31 Mar 2024 RM'000
Total accumulated losses of the Company and its subsidiaries	
- realised	(23,672)
- unrealised	1
	(23,671)
Less: Consolidated adjustments	12,823
Accumulated losses as per financial statement	(10,848)

**B10. Profit Before Tax**

	Quarter ended 31 Mar 2024 RM'000	Quarter ended 31 Mar 2023 RM'000
Profit before tax is derived after charging:		
Depreciation of property, plant & equipment	646	645
Depreciation of right-of-use assets	169	165
Interest expense	36	63
Loss on foreign exchange:		
-Realised	7	10
Bad debts written off	-	18
and crediting:		
Interest income	(67)	(54)
Reversal of impairment on trade receivables and contract asset	-	(137)
Gain on foreign exchange:		
Unrealised	(1)	(16)

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD  
LISTING REQUIREMENTS FOR THE ACE MARKET (CONTD.)**

**B11. Off balance sheet financial instruments**

There were no financial instruments with off-balance sheet risk as at the date of this announcement applicable to the Group.

**B12. Dividends**

The Board of Directors did not recommend other payment of dividend in respect of the quarter under review.

**B13. Earnings per share**

	<b>Current Quarter ended 31 Mar 2024</b>	<b>Comparative Quarter ended 31 Mar 2023</b>	<b>Current year to date ended 31 Mar 2024</b>	<b>Preceding year to date ended 31 Mar 2023</b>
Net profit/(loss) for the period attributable to equity holders (RM'000)	12	(838)	12	(838)
<b>Basic</b>				
Weighted average number of ordinary shares in issue ('000)	450,901	437,710	450,901	437,710
Basic EPS (sen)	0.003	(0.191)	0.003	(0.191)
<b>Diluted</b>				
Weighted average number of ordinary shares in issue ('000)	450,901	437,710	450,901	437,710
Effect of dilution: share options and convertible warrants ('000)	35	370	35	370
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	450,936	438,080	450,936	438,080
Diluted EPS (sen)	0.003	(0.191)	0.003	(0.191)

**BY ORDER OF THE BOARD  
SOLUTION GROUP BERHAD**