

QES GROUP BERHAD

Company Registration No.: 201401042911 (1119086-U)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Revenue	A9	56,417	57,255	56,417	57,255
Cost of sales		(44,752)	(42,499)	(44,752)	(42,499)
Gross profit		11,665	14,756	11,665	14,756
Administrative expenses		(5,234)	(5,071)	(5,234)	(5,071)
Marketing and distribution expenses		(1,730)	(1,695)	(1,730)	(1,695)
Net loss on impairment of financial instruments		(128)	(24)	(128)	(24)
Other expenses		(1,991)	(1,954)	(1,991)	(1,954)
Other income		922	1,014	922	1,014
Result from operating activities		3,504	7,026	3,504	7,026
Finance income		250	140	250	140
Finance costs		(471)	(396)	(471)	(396)
Share of result of an associate, net of tax		17	(268)	17	(268)
Profit before tax		3,300	6,502	3,300	6,502
Tax expense	B6	(1,038)	(1,693)	(1,038)	(1,693)
Profit for the financial period		2,262	4,809	2,262	4,809
Other comprehensive income, net of tax					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences for foreign subsidiaries		(28)	320	(28)	320
<i>Item that will not be reclassified subsequently to profit or loss</i>					
Remeasurement of defined benefit plan		16	18	16	18
Total other comprehensive income for the financial period, net of tax		(12)	338	(12)	338
Total comprehensive income for the financial period		2,250	5,147	2,250	5,147
Profit attributable to:					
Owners of the Company		2,508	4,762	2,508	4,762
Non-controlling interests ("NCI")		(246)	47	(246)	47
Profit for the financial period		2,262	4,809	2,262	4,809

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (cont'd)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023
		RM'000	RM'000	RM'000	RM'000
Total comprehensive income attributable to:					
Owners of the Company		2,488	5,019	2,488	5,019
Non-controlling interests		(220)	128	(220)	128
Total comprehensive income for the financial period		2,268	5,147	2,268	5,147
Basic/Diluted earnings per ordinary share attributable to owners of the Company (sen):	B11	0.30	0.57	0.30	0.57

Notes:-

The basis of preparation of the Condensed Consolidated Statements of Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024

	UNAUDITED	AUDITED
	As at	As at
	31.03.2024	31.12.2023
	RM'000	RM'000
Assets		
Property, plant and equipment	49,166	44,998
Right-of-use assets	8,508	8,437
Intangible assets	10,497	10,464
Investment in an associate	2,578	1,961
Deferred tax assets	1,158	1,060
Total non-current assets	<u>71,907</u>	<u>66,920</u>
Inventories	37,761	35,200
Trade and other receivables	72,346	69,268
Current tax assets	2,429	2,389
Fixed deposits with financial institutions	21,349	21,237
Cash and cash equivalents	72,100	80,771
Total current assets	<u>205,985</u>	<u>208,865</u>
Total assets	<u><u>277,892</u></u>	<u><u>275,785</u></u>
Equity		
Share capital	80,775	80,775
Reserves	(20,441)	(20,394)
Retained earnings	112,038	113,692
Total equity attributable to owners of the company	<u>172,372</u>	<u>174,073</u>
Non-controlling interests	<u>4,069</u>	<u>4,289</u>
Total equity	<u>176,441</u>	<u>178,362</u>
Liabilities		
Borrowings	21,012	17,723
Lease liabilities	1,167	1,220
Deferred tax liabilities	915	1,098
Provision for post-employment benefits	1,965	1,912
Total non-current liabilities	<u>25,059</u>	<u>21,953</u>

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024 (cont'd)

	UNAUDITED As at 31.03.2024 RM'000	AUDITED As at 31.12.2023 RM'000
Borrowings	16,251	16,657
Lease liabilities	994	936
Trade and other payables	42,689	43,292
Contract liabilities	14,313	12,563
Current tax liabilities	2,145	2,022
Total current liabilities	<u>76,392</u>	<u>75,470</u>
Total liabilities	<u>101,451</u>	<u>97,423</u>
Total equity and liabilities	<u>277,892</u>	<u>275,785</u>
Net assets per share attributable to owners of the Company (RM)	0.21	0.21

Notes:-

The basis of preparation of the Condensed Consolidated Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

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QES GROUP BERHAD

Company Registration No.: 201401042911 (1119086-U)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	Attributable to Owners of the Company					Total	Non-controlling interests ("NCI")	Total equity
	Share capital	Non-distributable Merger deficit	Legal reserve	Translation reserve	Distributable Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	80,775	(20,228)	25	(191)	113,692	174,073	4,289	178,362
Foreign currency translation differences	-	-	-	(47)	-	(47)	19	(28)
Remeasurement of defined benefit plan	-	-	-	-	9	9	7	16
Total other comprehensive income for the financial period	-	-	-	(47)	9	(38)	26	(12)
Profit for the financial period	-	-	-	-	2,508	2,508	(246)	2,262
Total comprehensive income for the financial period	-	-	-	(47)	2,517	2,470	(220)	2,250
Contributions by and distributions to owners of the Company:								
Dividend to owners of the Company	-	-	-	-	(4,171)	(4,171)	-	(4,171)
At 31 March 2024	80,775	(20,228)	25	(238)	112,038	172,372	4,069	176,441

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2024(cont'd)

	Attributable to Owners of the Company					Total RM'000	Non-controlling interests ("NCI") RM'000	Total equity RM'000
	Share capital RM'000	Non-distributable Merger deficit RM'000	Legal reserve RM'000	Translation reserve RM'000	Distributable Retained earnings RM'000			
At 1 January 2023	80,775	(20,228)	25	(1,024)	99,427	158,975	3,659	162,634
Foreign currency translation differences	-	-	-	248	-	248	72	320
Remeasurement of defined benefit plan	-	-	-	-	9	9	9	18
Total other comprehensive income for the financial period	-	-	-	248	9	257	81	338
Profit for the financial period	-	-	-	-	4,762	4,762	47	4,809
Total comprehensive income for the financial period	-	-	-	248	4,771	5,019	128	5,147
Contributions by and distributions to owners of the Company:								
Dividend to owners of the Company	-	-	-	-	(4,171)	(4,171)	-	(4,171)
At 31 March 2023	80,775	(20,228)	25	(776)	100,027	159,823	3,787	163,610

Notes:-

The basis of preparation of the Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	31.03.2024	31.03.2023
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	3,300	6,502
Adjustments for:		
Amortisation of intangible assets	302	130
Depreciation of property, plant and equipment	1,157	1,007
Depreciation of right-of-use assets	269	217
Finance costs	471	396
Finance income	(250)	(140)
Gain on disposal of property, plant and equipment	(6)	(706)
Gain on short-term investments	(300)	(263)
Loss on unrealised foreign exchange	194	233
Inventories written down	277	402
Net loss on impairment of financial instruments	128	24
Provision for post-employment benefits	75	74
Share of result of an associate, net of tax	(17)	268
Operating profit before working capital changes	5,600	8,144
Changes in inventories	(2,837)	(6,514)
Change in receivables	(3,363)	603
Change in payables	(446)	(1,499)
Change in contract liabilities	1,786	(1,456)
Cash generated from/(used in) operations	740	(722)
Income tax refunded	133	772
Income tax paid	(1,387)	(2,613)
Interest paid	(223)	(185)
Net cash used in operating activities	(737)	(2,748)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(5,338)	(1,538)
Addition in right-of-use assets	(60)	(221)
Addition in intangible assets	(335)	(378)
Increase in short-term investments	300	263
Interest received	250	140
Placement of pledged fixed deposits with financial institutions	(112)	(105)
Proceeds from disposal of property, plant and equipment	8	1,720
Subscription of shares in an associate	(600)	(300)
Net cash used in investing activities	(5,887)	(419)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (cont'd)

	31.03.2024	31.03.2023
	RM'000	RM'000
Cash flows from financing activities		
Dividend paid	(4,171)	(4,171)
Interest paid	(248)	(211)
Net drawdown of borrowings	2,571	6,943
Net repayment of lease liabilities	(268)	(197)
Net cash (used in)/from financing activities	<u>(2,116)</u>	<u>2,364</u>
Net decrease in cash and cash equivalents	(8,740)	(803)
Foreign currency translation differences	(286)	130
Cash and cash equivalents at beginning of the financial period	<u>80,706</u>	<u>70,928</u>
Cash and cash equivalents at end of the financial period	<u><u>71,680</u></u>	<u><u>70,255</u></u>
Cash and cash equivalents comprise the following:		
Short-term investments	21,396	17,389
Short-term deposits	14,800	14,112
Cash and bank balances	<u>35,904</u>	<u>38,847</u>
	72,100	70,348
Bank overdrafts	<u>(420)</u>	<u>(93)</u>
	<u><u>71,680</u></u>	<u><u>70,255</u></u>

Notes:-

The basis of preparation of the Condensed Consolidated Statements of Cash Flows are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting and Rule 9.22 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

A2. Summary of Significant Accounting Policies

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2023.

At the date of authorization of these interim financial statements, the followings MFRS, IC Interpretations and Amendments to IC Interpretations were issued but not yet effective and have not been applied by the Group:

MFRSs and Interpretations	Effective for financial periods beginning on or after
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The above pronouncements are either not relevant or do not have any material impact on the financial statements of the Group.

A3. Auditors' report on preceding annual financial statements

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (cont'd)

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING (cont'd)

A4. Seasonal or cyclical factors

The Group's business operations have not been affected by seasonal or cyclical factors.

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

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and current year-to-date under review.

A6. Material changes in estimates

There was no material change in financial estimates that could materially affect the current financial quarter under review.

A7. Debt and equity securities

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial quarter under review.

A8. Dividend paid

On 23 February 2024, the Board declared final dividend of 0.50 sen per ordinary share in respect of the financial year ended 31 December 2023 amounting to RM4,170,694 which was paid on 29 March 2024. The entitlement to the dividend was determined based on the record of depositors as at 15 March 2024.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (cont'd)

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING (cont'd)

A9. Segmental information

Results for individual and cumulative quarter ended 31.03.2024

	Investment Holding RM'000	Equipment RM'000	Materials & Engineering Solutions RM'000	Manufacturing RM'000	Adjustments and Eliminations RM'000	Consolidated RM'000
External revenue	-	41,982	8,944	5,491	-	56,417
Intra segment revenue	-	16,758	-	-	(16,758)	-
Inter segment revenue	-	554	64	-	(618)	-
Total revenue	-	59,294	9,008	5,491	(17,376)	56,417
Results						
Depreciation and amortisation	-	1,141	40	552	(5)	1,728
Other non-cash (income)/expenses	(17)	699	69	(100)	-	651
Segment profit before tax	(9)	3,566	595	(857)	5	3,300

Results for individual and cumulative quarter ended 31.03.2023

	Investment Holding RM'000	Equipment RM'000	Materials & Engineering Solutions RM'000	Manufacturing RM'000	Adjustments and Eliminations RM'000	Consolidated RM'000
External revenue	-	46,656	4,842	5,757	-	57,255
Intra segment revenue	-	16,386	-	-	(16,386)	-
Inter segment revenue	2,000	553	3	-	(2,556)	-
Total revenue	2,000	63,595	4,845	5,757	(18,942)	57,255
Results						
Depreciation and amortisation	-	960	59	344	(9)	1,354
Other non-cash expenses/(income)	268	222	(14)	(181)	-	295
Segment profit/(loss) before tax	1,675	7,270	242	(694)	(1,991)	6,502

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (cont'd)

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING (cont'd)

A9. Segmental information (cont'd)

(a) Analysis of revenue by divisions

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	31.03.2024		31.03.2023		31.03.2024		31.03.2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Distribution Division								
Product distribution								
Equipment	29,450	52.2	34,968	61.1	29,450	52.2	34,968	61.1
Materials & Engineering Solutions	7,161	12.7	3,150	5.4	7,161	12.7	3,150	5.4
Services & supply of spare parts								
Equipment	12,532	22.2	11,688	20.4	12,532	22.2	11,688	20.4
Materials & Engineering Solutions	1,783	3.2	1,692	3.0	1,783	3.2	1,692	3.0
Sub-total	50,926	90.3	51,498	89.9	50,926	90.3	51,498	89.9
Manufacturing Division								
Manufacturing	5,491	9.7	5,757	10.1	5,491	9.7	5,757	10.1
Sub-total	5,491	9.7	5,757	10.1	5,491	9.7	5,757	10.1
Total	56,417	100.0	57,255	100.0	56,417	100.0	57,255	100.0

(b) Analysis of revenue by geographical location

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	31.03.2024		31.03.2023		31.03.2024		31.03.2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	27,701	49.1	28,095	49.1	27,701	49.1	28,095	49.1
ASEAN (excluding Malaysia)								
Vietnam	6,662	11.8	4,443	7.8	6,662	11.8	4,443	7.8
Philippines	6,407	11.4	9,564	16.7	6,407	11.4	9,564	16.7
Singapore	5,253	9.3	4,939	8.6	5,253	9.3	4,939	8.6
Thailand	5,088	9.0	5,299	9.3	5,088	9.0	5,299	9.3
Indonesia	4,123	7.3	2,943	5.1	4,123	7.3	2,943	5.1
Other ASEAN	242	0.4	298	0.5	242	0.4	298	0.5
China	153	0.3	110	0.2	153	0.3	110	0.2
Others	788	1.4	1,564	2.7	788	1.4	1,564	2.7
Total	56,417	100.0	57,255	100.0	56,417	100.0	57,255	100.0

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (cont'd)

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING (cont'd)

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter under review.

A11. Subsequent events

There were no subsequent material events as at the date of this report.

A12. Changes in the composition of the Group

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

A13. Contingent assets or contingent liabilities

The Group has no contingent assets and contingent liabilities as at the date of this report.

A14. Capital commitment

Capital expenditure commitment

Authorised and contracted for:
Property, plant and equipment

UNAUDITED
31.03.2024
RM'000

33,778

A15. Related party transactions

There were no related party transactions during the current financial quarter under review.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (cont'd)

B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

(i) Results for current quarter

	INDIVIDUAL AND CUMULATIVE QUARTER		Changes RM'000	Changes %
	31.03.2024 RM'000	31.03.2023 RM'000		
Revenue	56,417	57,255	(838)	(1.5)
Profit before tax	3,300	6,502	(3,202)	(49.2)

The Group recorded a revenue of RM56.42 million for the current quarter under review compared to RM57.26 million in the corresponding quarter last year, representing a decrease by 1.5% or RM0.84 million. The decrease in sales from the distribution division is mainly due to lower deliveries of equipment in the current quarter. The decrease in sales of the manufacturing division was mainly due to lower deliveries of automatic optical inspection (AOI) series albeit an increase in deliveries of optical inspection system (OIS) series and advanced wafer metrology system (AMS) series.

The profit before tax ("PBT") of RM3.30 million as compared to RM6.50 million in the corresponding quarter last year, was lower by 49.2% or RM3.20 million. The lower PBT recorded was attributed by the unfavorable product mix from the distribution division which consists of higher sales of products with lower margins.

B2. Comparison with preceding quarter's results and comments on material changes in PBT

	Current Quarter 31.03.2024 RM'000	Preceding Quarter 31.12.2023 RM'000	Changes RM'000	Changes %
	Revenue	56,417		
Profit before tax	3,300	3,841	(541)	(14.1)

The Group's revenue decreased from RM62.30 million in the preceding quarter to RM56.42 million in the quarter under review, representing a decrease of 9.4% or RM5.88 million. The decrease in revenue was mainly due to the lower revenue generated from both distribution and manufacturing division by RM4.85 million and RM1.03 million respectively.

The decrease in the distribution division was mainly due to a drop in deliveries of equipment in the current quarter. The decrease of revenue from the manufacturing division was mainly due to lower deliveries of AOI series partially net off with an increase in AMS series.

The decrease in PBT by RM0.54 million was mainly due to a combination of lower revenue and gross profit. This is despite lower operating expenses incurred for participation in exhibitions coupled with higher net gain on foreign exchange for the current quarter under review.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (cont'd)

B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)

B3. Prospects and outlook

The Group considers the recovery of the worldwide semiconductor industry be forthcoming hence the Group is cautiously optimistic on a modest improvement in the Group's performance for the next coming quarters. The Group remains optimistic on the outlook and sustained growth in artificial intelligence, smart manufacturing, automotive and electrical and electronics market segments.

B4. Profit forecast and profit guarantee

The Group did not issue any profit forecast or profit guarantee during the financial quarter under review and the financial year-to-date.

B5. Status of corporate proposals

Saved as disclosed below, there were no other corporate proposals announced but not completed as at the date of this report.

On 15 April 2024, the Board announced that the Company intends to seek its shareholders' approval on the proposed renewal of share buy-back of up to ten percent (10%) of the total number of issued shares of the Company at the forthcoming tenth ("10th") Annual General Meeting ("AGM") to be convened.

On 30 April 2024, the Company issued a notice for its 10th AGM to be held on 31 May 2024.

B6. Income tax expenses

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Current tax	1,322	2,110	1,322	2,110
Deferred tax	(284)	(417)	(284)	(417)
Total tax expense	<u>1,038</u>	<u>1,693</u>	<u>1,038</u>	<u>1,693</u>

Notes:-

- (1) The Group's effective tax rate for cumulative quarter was higher as compared to the statutory income tax rate of 24% mainly due to adjustment on certain expenses not deductible for tax purposes such as depreciation, amortization of intangible assets, allowance for inventories and impairment losses on financial instruments; notwithstanding adjustment on certain non-taxable income and double deduction allowance coupled with corresponding lower operating profit.
- (2) Tax expenses is recognized based on management's best estimate.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (cont'd)

B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)

B7. Group borrowings

	UNAUDITED	AUDITED
	As at	As at
	31.03.2024	31.12.2023
	RM'000	RM'000
Non-current:		
Term loans	21,012	17,723
Current:		
Bankers' acceptance	1,029	1,388
Bank overdrafts	420	65
Trust receipts	12,012	14,182
Revolving loan	1,600	300
Term loans	1,190	722
	<u>16,251</u>	<u>16,657</u>
Total		
Bankers' acceptance	1,029	1,388
Bank overdrafts	420	65
Trust receipts	12,012	14,182
Revolving loan	1,600	300
Term loans	22,202	18,445
	<u>37,263</u>	<u>34,380</u>

The Group's borrowings were denominated in MYR, except for approximately RM7.12 million (USD1.51 million), RM4.60 million (JPY147.06 million), RM0.21 million (EUR0.04 million) and RM0.08 million (GBP0.014 million) of the above borrowings were denominated in USD, JPY, EUR and GBP respectively.

B8. Material litigation

There are no material litigations pending on the date of this announcement.

B9. Dividend

The board of Directors does not recommend any dividend for the current financial quarter under review.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (cont'd)

B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)

B10. Earnings per share ("EPS")

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>31.03.2024</u>	<u>31.03.2023</u>	<u>31.03.2024</u>	<u>31.03.2023</u>
Profit attributable to owners of the Company (RM'000)	<u>2,508</u>	<u>4,762</u>	<u>2,508</u>	<u>4,762</u>
Weighted average number of shares ('000)	<u>834,139</u>	<u>834,139</u>	<u>834,139</u>	<u>834,139</u>
Basic and diluted EPS (sen)	<u>0.30</u>	<u>0.57</u>	<u>0.30</u>	<u>0.57</u>

Notes:-

Diluted earnings per share of the Company for the individual quarter and year-to-date ended 31 March 2024 is equivalent to the basic earnings per share as the Company does not have any outstanding convertible securities at the end of the reporting year.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (cont'd)

B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)

B11. Notes to the Statements of Profit or Loss and Other Comprehensive Income

Profit before taxation is arrived at after charging/(crediting):-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Amortisation of intangible assets	302	130	302	130
Depreciation of property, plant and equipment	1,157	1,007	1,157	1,007
Depreciation of right-of-use assets	269	217	269	217
Gain on disposal of property, plant and equipment	(6)	(706)	(6)	(706)
(Gain)/Loss on foreign exchange				
- realised	(636)	(18)	(636)	(18)
- unrealised	194	233	194	233
Gain on short-term investments	(300)	(263)	(300)	(263)
Finance costs	471	396	471	396
Finance income	(250)	(140)	(250)	(140)
Inventories written down	277	402	277	402
Net loss on impairment of financial instruments	128	24	128	24
Provision for post-employment benefits	75	74	75	74

Save as disclosed above, other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Securities are not applicable.

BY ORDER OF THE BOARD

Andrea Huong Jia Mei
 Company Secretary
 20 May 2024