



GLOSTREXT BERHAD
(Registration No: 202201005343 (1451040-T))
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED
30 JUNE 2024**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 JUNE 2024⁽¹⁾

	Current Quarter 3 Months Ended		Cumulative Quarters 3 Months Ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Revenue	8,849	6,427	8,849	6,427
Cost of sales	(4,243)	(3,097)	(4,243)	(3,097)
Gross profit	4,606	3,330	4,606	3,330
Other income	175	125	175	125
Administrative expenses	(1,745)	(1,294)	(1,745)	(1,294)
Other expenses	(210)	(243)	(210)	(243)
Finance costs	(81)	(100)	(81)	(100)
Finance income	89	-	89	-
Profit before taxation	2,834	1,818	2,834	1,818
Income tax expense	(530)	(358)	(530)	(358)
Profit after taxation	2,304	1,460	2,304	1,460
Other comprehensive (expense)/ income	(114)	531	(114)	531
Total comprehensive income for the financial period	2,190	1,991	2,190	1,991
Earnings per share ⁽²⁾				
- Basic/Diluted earnings per share (sen)	0.57	0.48	0.57	0.48

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 JUNE 2024⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic/Diluted earnings per share ("**EPS**") is calculated based on the Company's total number of 407,041,000 shares as at 30 June 2024 (as at 30 June 2023: 301,211,000 shares). Basic EPS and Diluted EPS are the same as the Company does not have any convertible securities as at the end of the current financial quarter and financial period under review.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024⁽¹⁾

	Unaudited As at 30.06.2024 RM'000	Audited As at 31.03.2024 RM'000
Assets		
Non-current assets		
Property, plant and equipment	18,867	18,904
Investment Properties	8,412	8,456
Right-of-use assets	1,291	1,330
Total non-current assets	28,570	28,690
Current assets		
Inventories	2,882	3,293
Trade receivables	10,314	9,220
Other receivables, deposits and prepayments	826	882
Contract assets	2,906	1,509
Current tax assets	322	260
Fixed deposits with a licensed bank	8,000	6,000
Cash and bank balances	11,323	12,524
Total current assets	36,573	33,688
Total assets	65,143	62,378
Equity and Liabilities		
Equity		
Share capital	48,846	48,846
Foreign exchange translation reserve	1,837	1,951
Restructuring reserve	(27,530)	(27,530)
Retained profits	33,244	30,940
Total equity	56,397	54,207

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024⁽¹⁾
(CONT'D)**

	Unaudited As at 30.06.2024 RM'000	Audited As at 31.03.2024 RM'000
Non-current liabilities		
Lease liabilities	33	63
Term loans	4,981	5,054
Deferred tax liability	393	382
Total non-current liabilities	5,407	5,499
Current liabilities		
Trade payables	524	987
Other payables and accruals	1,292	628
Lease liabilities	110	100
Term loans	349	346
Current tax liabilities	1,064	611
Total current liabilities	3,339	2,672
Total liabilities	8,746	8,171
Total equity and liabilities	65,143	62,378
Net assets per share (RM)	0.14 ⁽²⁾	0.13 ⁽²⁾

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the Company's number of ordinary shares as at the end of the reporting period/year (as at 30.06.24 and 31.03.2024: 407,041,000 shares).

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 JUNE 2024⁽¹⁾

	Non-Distributable			Distributable	Total Equity RM'000
	Share Capital	Foreign Exchange Translation Reserve	Restructuring Reserve	Retained Profits	
	RM'000	RM'000	RM'000	RM'000	
Unaudited Balance at 1 April 2024	48,846	1,951	(27,530)	30,940	54,207
Profit after tax for the financial period	-	-	-	2,304	2,304
Other comprehensive expense for the financial period: - Foreign currency translation differences	-	(114)	-	-	(114)
Total comprehensive (expense)/income for the financial period	-	(114)	-	2,304	2,190
Balance at 30 June 2024	48,846	1,837	(27,530)	33,244	56,397

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2024⁽¹⁾

	Current Year-to-date 30.06.2024 RM'000	Preceding Corresponding Year-to-date 30.06.2023 RM'000
Cash flows from operating activities		
Profit before taxation	2,834	1,818
Adjustments for:-		
Property, plant and equipment written off	*	-
Depreciation of:		
- property, plant and equipment	486	384
- investment properties	44	44
- right-of-use assets	39	57
Impairment losses on trade receivables	5	14
Interest expenses on financial liabilities that are not at fair value through profit or loss:		
- term loans	58	96
Interest expense on lease liabilities	23	4
Interest income	(89)	-
Unrealised loss on foreign exchange	23	4
Gain on disposal of property, plant and equipment	(33)	(12)
Reversal of impairment losses on trade receivables	(136)	(32)
Operating profit before working capital changes	3,254	2,377
Increase in contract assets	(1,397)	(4)
Decrease in inventories	406	519
Increase in trade and other receivables	(964)	(1,837)
Increase/(decrease) in trade and other payables	184	(579)
Cash from operations	1,483	477
Net income tax paid	(123)	(194)
Net cash from operating activities	1,360	283
Cash flows for investing activities		
Placement of fixed deposits with tenure more than 3 months	(2,000)	-
Interest income received	89	-
Proceeds from disposal of property, plant and equipment	33	21
Purchase of property, plant and equipment	(509)	(322)
Net cash for investing activities	(2,387)	(301)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2024⁽¹⁾ (CONT'D)

	Current Year-to-date 30.06.2024 RM'000	Preceding Corresponding Year-to-date 30.06.2023 RM'000
Cash flows from financing activities		
Interest paid	(81)	(100)
Repayment of lease liabilities	(19)	(29)
Repayment of term loans	(70)	(91)
Net cash for financing activities	(170)	(220)
Net decrease in cash and bank balances	(1,196)	(238)
Cash and bank balances at beginning of the financial period	12,524	6,597
Exchange rate adjustment	(4)	110
Cash and bank balances at end of the financial period	11,323	6,469

Notes:

- * Represents RM25.00 only.
- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to this interim financial report.

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A1 Basis of Preparation

The interim financial statements of Glostrex Berhad (“Glostrex” or the “Company”) and its subsidiaries (“Group”) are unaudited and have been prepared in accordance with MFRS 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 and Appendix 9B of the Listing Requirements.

The interim financial reports should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to this first interim financial [report](#).

A2 Significant Accounting Policies

The accounting policies and presentations adopted by the Group in this interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 March 2024.

During the current financial period, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

Amendments to MFRS 16	:	Lease Liability in a Sale and Leaseback
Amendment to MFRS 101	:	Classification of Liabilities as Current or Noncurrent
Amendments to MFRS 101	:	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	:	Supplier Finance Arrangements

The Group has not applied in advance the following accounting standards and/or interpretation (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for the current financial quarter:

MFRSs and/or Interpretations Committee (“IC”) Interpretations (Including the Consequential Amendments)

	Effective Date
Amendments to MFRS 10 and MFRS 128	Deferred
Amendments to MFRS 121	1 January 2025
Amendments to MFRS 9 and MFRS 7	1 January 2026
Amendments to MFRS 18	1 January 2027
Amendments to MFRS 19	1 January 2027

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group.

A3 Auditors' Report on Preceding Annual Financial Statements

There was no qualification on the audited consolidated financial statements of the Group for the financial year ended 31 March 2024.

A4 Seasonal and Cyclical Factors

The business operations of the Company are not materially affected by any seasonal or cyclical factors during the current financial quarter under review.

A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

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

A6 Material Changes in Estimates

There were no material changes in estimates that have a material effect on the current financial quarter under review.

A7 Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

A8 Dividends Paid

There were no dividends paid during the current financial quarter under review.

A9 Segmental Information

The Group is a geotechnical instrumentation service provider, where the Group provides piling, structural and geotechnical related services, covering instrumentation, testing and monitoring services to construction projects as well as completed buildings and infrastructure.

Segmental revenue presented based on principal business activities is as follows:

	Current Quarter 3 Months Ended		Cumulative Quarters 3 Months Ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Pile Instrumentation and Static Load Test Services	7,441	5,366	7,441	5,366
Structural and Ground Instrumentation and Monitoring Services	1,262	941	1,262	941
Others	146	120	146	120
Total	8,849	6,427	8,849	6,427

Segmental revenue presented based on the country in which the customers are located is as follows:

	Current Quarter 3 Months Ended		Cumulative Quarters 3 Months Ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Singapore	6,990	4,595	6,990	4,595
Malaysia	1,859	1,812	1,859	1,812
Cambodia	-	20	-	20
Total	8,849	6,427	8,849	6,427

A10 Capital Commitments

There were no material capital commitments at the end of the current financial quarter under review.

A11 Material Events after the End of the Reporting Period

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A12 Changes in the Composition of the Group

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

A13 Contingent Liabilities and Contingent Assets

There were no contingent assets and contingent liabilities as at the date of this interim financial report.

A14 Related Party Transactions

	Current Quarter 3 Months Ended		Cumulative Quarters 3 Months Ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Key Management Personnel				
Rental of premise	42	33	42	33

PART B - ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS**B1 Review of Group's Performance**

	Current Quarter 3 Months Ended		Cumulative Quarters 3 Months Ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Revenue	8,849	6,427	8,849	6,427
Profit before tax ("PBT")	2,834	1,818	2,834	1,818

The Group recorded revenue of RM8.849 million for the current financial quarter which increased by RM2.422 million or 37.68% as compared to RM6.427 million in the preceding year corresponding quarter. This was mainly contributed by Pile Instrumentation and Static Load Test Services segment which recorded 84.09% (2023 : 83.49%) to the Group's revenue. Singapore was the Group's largest market, contributing to approximately 78.99% (2023 : 71.50%) of the Group's revenue.

In tandem with the revenue growth, the Group generated profit before tax ("PBT") of RM2.834 million for the current financial quarter under review which is an increased by RM1.016 million or 55.89% as compared to RM1.818 million in the preceding year corresponding quarter.

B2 Comparison with Immediate Preceding Quarter

	Current Quarter	Immediate Preceding Quarter
	30.06.2024 RM'000	31.03.2024 RM'000
Revenue	8,849	6,049
Profit before taxation	2,834	614

The Group's revenue increased by RM2.800 million or 46.29% to RM8.849 million as compared to RM6.049 million for the immediate preceding quarter. This was mainly due to a higher number of service engagements from the provision of pile instrumentation and static load test services segment during the current financial quarter under review.

The Group's profit before tax also showed a substantial growth of RM2.220 million, reflecting a remarkable increase of 361.56% to RM2.834 million as compared to RM0.614 million in the immediate preceding financial quarter ended 31 March 2024. The increase in profit before tax for the first quarter is mainly due to the increase in revenue which contributed by higher service of engagements of pile instrumentation and static load test services segment.

B3 Prospects

The Group has achieved impressive year-on-year growth in the current financial quarter under review, driven primarily by an increase in pile instrumentation and static load test services. This growth is further bolstered by projects involving our WiNA-platform-based automated maintained load test system (WiNA-aMLT) in Malaysia and Singapore, aligning closely with the Group's expansion strategy.

Moving forward, the Group will maintain a proactive stance in sales and marketing activities to enhance awareness of our geotechnical instrumentation services. Despite challenging economic conditions, we remain optimistic about our future financial performance, anticipating continued demand growth for our services. Glostrex is committed to seizing market opportunities by delivering WiNA-based applications and solutions to both new and existing customers.

B4 Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or guarantee during the current financial quarter under review.

B5 Taxation

	Current Quarter 3 Months Ended		Cumulative Quarters 3 Months Ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Current tax expense	518	358	518	358
Deferred tax expense	12	-	12	-
	<u>530</u>	<u>358</u>	<u>530</u>	<u>358</u>
Effective tax rate	18.71% ⁽¹⁾	19.7%	18.71% ⁽¹⁾	19.7%

Notes:

- (1) The Group's effective tax rate was lower than the Malaysia statutory tax rate of 24% mainly due to Singapore statutory tax rate of 17%.

B6 Status of Corporate Proposals

There are no corporate proposals during the quarter under review.

B7 Utilisation of Proceeds

The gross proceeds from the Company's IPO amounting to RM20.108 million is intended to be utilised in the following manner:

No	Details of utilisation of Proceeds	Proposed utilisation RM'000	Percentage of utilisation %	Actual utilisation RM'000	Balance to be utilised RM'000	Intended timeframe for utilisation (from the listing date 15 August 2023) ⁽¹⁾
1	Business expansion and working capital	11,708	58.23	2,666	9,042	Within 36 months
2	Research and development	1,800	8.95	559	1,241	Within 36 months
3	Repayment of bank borrowings	3,300	16.41	3,300	-	Within 3 months
4	Estimated listing expenses	3,300	16.41	3,300	-	Within 1 months
Total		20,108	100.00	9,825	10,283⁽²⁾	

Notes:

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities. The use of proceeds as disclosed above should be read in conjunction with the Company's Prospectus.
- (2) From the balance to be utilised, RM8.0 million is held in fixed deposits with a licensed bank, and the remaining is held in the cash and bank balances.

B8 Group Borrowings and Debt Securities

The Group's borrowings as at 30 June 2024 are as follows:

	Unaudited as at 30.06.2024 RM'000	Audited as at 31.03.2024 RM'000
Non-current		
Term loans	4,981	5,054
Lease liabilities	33	63
	5,014	5,117
Current		
Term Loans	349	346
Lease liabilities	110	100
	459	446
Total borrowings	5,473	5,563

B9 Derivatives

The Group has no derivatives as at the date of this interim financial report.

B10 Material Litigation

There were no material litigations as at the date of this interim financial report.

B11 Earnings Per Share ("EPS")

The basic and diluted EPS for the current and cumulative quarters is computed as follows:

		Current Quarter 3 Months Ended		Cumulative Quarters 3 Months Ended	
		30.06.2024	30.06.2023	30.06.2024	30.06.2023
Profit after taxation	(RM'000)	2,304	1,460	2,304	1,460
Number of ordinary shares	('000)	407,041	301,211	407,041	301,211
Basic/Diluted EPS ⁽¹⁾	(sen)	0.57	0.48	0.57	0.48

Notes:

- (1) Basic/Diluted earnings per share ("EPS") is calculated based on the Company's total number of 407,041,000 shares as at 30 June 2024 (as at 30 June 2023: 301,211,000 shares). Basic EPS and Diluted EPS are the same as the Company does not have any convertible securities as at the end of the current financial quarter and financial period under review.

B12 Notes to the Statement of Profit and Loss and Other Comprehensive Income

Profit before tax has been arrived at after charging/(crediting):

	Current Quarter 3 Months Ended		Cumulative Quarters 3 Months Ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Depreciation of:				
- property, plant and equipment	486	384	486	384
- investment properties	44	44	44	44
- right-of-use assets	39	57	39	57
Impairment losses on trade receivables	5	14	5	14
Interest expenses on financial liabilities that are not at fair value through profit or loss:				
-term loans				
Interest expense on lease liabilities	23	4	23	4
Realised loss on foreign exchange	6	11	6	11
Unrealised loss on foreign exchange	23	4	23	4
Interest income	(89)	-	(89)	-
Gain on disposal of property, plant and equipment	(33)	(12)	(33)	(12)
Reversal of impairment losses on trade receivables	(136)	(32)	(136)	(32)

Save as disclosed above, the other disclosure items as required under paragraph 16 of Appendix 9B of the Listing Requirements are not applicable.

B13 Dividends

The Board of Directors of the Company did not declare or recommend any dividend during the current financial quarter.

BY ORDER OF THE BOARD
GLOSTREXT BERHAD
21 August 2024