

**Unaudited Condensed Consolidated Statement of Comprehensive Income for the 6 months ended 30 June 2024**

	Note	Current quarter		Cumulative Quarter	
		6 months ended		6 months ended	
		30/06/2024	30/06/2023	30/06/2024	30/06/2023
		RM'000	RM'000	RM'000	RM'000
Revenue	A8	<b>71,311</b>	46,295	<b>167,723</b>	88,317
Cost of sales		<b>(59,862)</b>	(42,305)	<b>(145,536)</b>	(80,538)
<b>Gross profit</b>		<b>11,449</b>	3,990	<b>22,187</b>	7,779
Other income		<b>482</b>	511	<b>869</b>	1,131
Fair value loss on other investments		-	1,686	-	4,246
Selling and distribution expenses		<b>(955)</b>	(607)	<b>(1,764)</b>	(1,296)
Administration expenses		<b>(5,356)</b>	(2,970)	<b>(10,631)</b>	(6,571)
Other expenses		<b>(1,506)</b>	(1,391)	<b>(3,242)</b>	(2,535)
		<b>(7,817)</b>	(4,968)	<b>(15,637)</b>	(10,402)
<b>Operating profit</b>		<b>4,114</b>	1,219	<b>7,419</b>	2,754
Finance income		<b>30</b>	12	<b>65</b>	12
Finance costs		<b>(1,650)</b>	(1,140)	<b>(3,225)</b>	(1,948)
Share of results of associate		-	63	-	126
<b>Profit before tax</b>	B7	<b>2,494</b>	154	<b>4,259</b>	944
Income tax expense	B5	<b>(864)</b>	8	<b>(1,503)</b>	(117)
<b>Profit from after tax</b>		<b>1,630</b>	162	<b>2,756</b>	827
<b>Total Comprehensive income for the period</b>		<b>1,630</b>	162	<b>2,756</b>	827
<b>Profit Attributable To:</b>					
Owners of the Parent		<b>1,504</b>	136	<b>2,515</b>	766
Non-controlling interests		<b>126</b>	26	<b>241</b>	61
		<b>1,630</b>	162	<b>2,756</b>	827
<b>Total comprehensive income attributable to :</b>					
Owners of the Parent		<b>1,504</b>	136	<b>2,515</b>	766
Non-controlling interests		<b>126</b>	26	<b>241</b>	61
		<b>1,630</b>	162	<b>2,756</b>	827
<b>Weighted average number of ordinary shares in issue ('000)</b>	B11	<b>150,236</b>	130,079	<b>150,236</b>	130,079
<b>Earnings per ordinary share</b>					
Basic (Sen)	B11	<b>1.00</b>	0.10	<b>1.67</b>	0.59
Diluted (Sen)	B11	<b>1.00</b>	0.10	<b>1.67</b>	0.59

(The above Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.)

**Unaudited Condensed Consolidated Statement of Financial Position as at 30 June 2024**

	Note	Unaudited As at 30/06/2024 RM'000	Audited As at 31/12/2023 RM'000
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Property, plant and equipment		37,168	37,718
Intangible asset		1,206	1,870
Deferred tax assets		65	854
<b>Total non-current assets</b>		<b>38,439</b>	<b>40,442</b>
<b>Current assets:</b>			
Inventories		77,204	71,392
Trade receivables		100,804	90,392
Other receivables, deposits and prepayments		14,462	11,200
Contract assets		34,425	24,622
Contract costs		-	5,617
Current tax assets		2,379	2,540
Other investments		17,519	17,519
Deposits, cash and bank balances		19,129	23,755
<b>Total current assets</b>		<b>265,922</b>	<b>247,037</b>
<b>TOTAL ASSETS</b>		<b>304,361</b>	<b>287,479</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		76,699	76,645
Retained profits		29,228	25,446
		<b>105,927</b>	<b>102,091</b>
Non-controlling interest		3,145	6,971
<b>TOTAL EQUITY</b>		<b>109,072</b>	<b>109,062</b>

**Unaudited Condensed Consolidated Statement of Financial Position as at 30 June 2024**

(Contd.)

	Note	Unaudited As at 30/06/2024 RM'000	Audited As at 31/12/2023 RM'000
<b>EQUITY AND LIABILITIES (Contd.)</b>			
<b>Non-current liabilities</b>			
Borrowings	B6	20,962	21,618
Deferred tax liabilities		657	1,447
<b>Total non-current liabilities</b>		<b>21,619</b>	<b>23,065</b>
<b>Current Liabilities:</b>			
Trade payables		15,179	19,778
Other payables and accruals		16,867	12,333
Contract liabilities		21,466	19,939
Borrowings	B6	114,676	97,877
Bank overdrafts	B6	4,733	5,196
Current tax liabilities		749	229
<b>Total current liabilities</b>		<b>173,670</b>	<b>155,352</b>
<b>TOTAL LIABILITIES</b>		<b>195,289</b>	<b>178,417</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>304,361</b>	<b>287,479</b>
<b>Net assets per share (RM)</b>		<b>0.73</b>	<b>0.73</b>

(The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.)

**Unaudited Condensed Consolidated Statement of Changes in Equity for the 6 months ended 30 June 2024**

<--- Attributable to owners of the Company --->

Note	Share Capital	Retained Profits	Total	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance at as at 01/01/2023</b>	58,772	38,843	<b>97,615</b>	2,936	<b>100,551</b>
Total comprehensive loss for the year	-	(13,397)	<b>(13,397)</b>	158	<b>(13,239)</b>
Transactions with owners					
Non-controlling interests arising from acquisition of a subsidiary	-	-	-	3,877	<b>3,877</b>
Issue of ordinary shares	17,873	-	<b>17,873</b>	-	<b>17,873</b>
<b>Balance as at 31/12/2023</b>	<b>76,645</b>	<b>25,446</b>	<b>102,091</b>	<b>6,971</b>	<b>109,062</b>
<b>Balance as at 01/01/2024</b>	76,645	25,446	<b>102,091</b>	6,971	<b>109,062</b>
Conversion of warrants	54	-	<b>54</b>	-	<b>54</b>
Issuance of shares	-	-	-	-	-
Changes of ownership interest in a subsidiary	-	1,267	<b>1,267</b>	(4,067)	<b>(2,800)</b>
Total comprehensive income for the year	-	2,515	<b>2,515</b>	241	<b>2,756</b>
<b>Balance as at 30/06/2024</b>	<b>76,699</b>	<b>29,228</b>	<b>105,927</b>	<b>3,145</b>	<b>109,072</b>

*(The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.)*

**Unaudited Condensed Consolidated Statement of Cash Flows for the 6 months ended 30 June 2024**

	<b>6 months ended</b>	
	<b>30/06/2024</b>	<b>30/06/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities:</b>		
Profit before tax	<b>4,259</b>	944
<i>Adjustments for :</i>		
Amortisation of intangible assets	<b>664</b>	-
Depreciation of property, plant and equipment	<b>1,697</b>	1,567
Property, plant and equipment written off	<b>4</b>	-
Reversal of impairment loss on trade receivables	<b>(359)</b>	(135)
Impairment loss on trade receivables	<b>30</b>	-
Gain on termination of leases	<b>(30)</b>	(11)
(Gain) /Loss on disposal property, plant and equipment	<b>(163)</b>	167
Interest expense	<b>3,225</b>	1,948
Interest income	<b>(65)</b>	(12)
Inventories written down	<b>261</b>	(26)
Share of results of an associate	<b>-</b>	(126)
Fair value loss on other investments	<b>-</b>	(4,246)
<b>Operating profit before changes in working capital</b>	<b>9,523</b>	70
<u>Changes in Working Capital</u>		
(Increase)/Decrease in Inventories	<b>(6,072)</b>	3,735
Increase in Trade and Other Receivables	<b>(13,346)</b>	(15,092)
(Decrease)/Increase in Trade and Other Payables	<b>(65)</b>	5,994
Increase in Net (Contract Liabilities)/Contract Assets	<b>(2,660)</b>	(146)
	<b>(22,143)</b>	(5,509)
<b>Net Cash used in operations</b>	<b>(12,620)</b>	(5,439)
Interest received	<b>65</b>	12
Income tax paid	<b>(822)</b>	(1,032)
	<b>(757)</b>	(1,020)
<b>Net Cash used in Operating Activities</b>	<b>(13,377)</b>	(6,459)

**Unaudited Condensed Consolidated Statement of Cash Flows for the 6 months ended 30 June 2024  
(Contd.)**

	6 months ended	
	30/06/2024	30/06/2023
	RM'000	RM'000
<b>Cash Flows From Investing Activities:</b>		
Proceeds from disposal of property, plant and equipment	227	1,529
Purchase of property, plant and equipment	(666)	(16,404)
Acquisition of other investments	-	(23,642)
Additional cost of investment in subsidiary, net of cash and cash equivalents acquired	(2,800)	-
<b>Net cash used in Investing Activities</b>	<b>(3,239)</b>	<b>(38,517)</b>
<b>Cash Flows From Financing Activities:</b>		
Proceeds from issuance of ordinary shares	54	296
Net proceed from bankers' acceptances	16,806	33,757
Net repayment from lease liabilities	(745)	(1,926)
Net repayment from term loan	(437)	16,578
Interest paid	(3,225)	(1,948)
<b>Net cash generated from Financing Activities</b>	<b>12,453</b>	<b>46,757</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4,163)</b>	<b>1,781</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>14,370</b>	<b>6,342</b>
<b>Cash and cash equivalents at end of the year</b>	<b>10,207</b>	<b>8,123</b>
<b>Cash and Cash Equivalents Comprise:</b>		
Deposits, cash and bank balances	19,129	10,618
Less: Bank overdrafts	(4,733)	(936)
Less: Non-short term deposits placed with licensed banks	(4,189)	(1,559)
	<b>10,207</b>	<b>8,123</b>

*(The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.)*

**Unaudited Report on Consolidated Results for the 6 months ended 30 June 2024**

**Notes to the interim financial report**

**Part A: Explanatory Notes Pursuant to the Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standards (MFRS) 134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (MASB), and Chapter 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (Bursa Securities).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31/12/2023. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31/12/2023.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31/12/2023 except for the adoption of the following new MFRS and amendments/improvement to MFRSs:-

<b><u>New MFRS and amendments/improvements to MFRSs</u></b>		<b>Effective Date</b>
MFRS 7	Financial Instruments: Disclosures	1 January 2024
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2024
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2024

**Amendments/improvements to MFRSs that have been issued, but yet to be effective**

MFRS 10	Consolidated Financial Statements	Deferred
MFRS 128	Investments in Associates and Joint Ventures	Deferred

The above new amendments/improvements standards, the Group and the Company have not prepared for early adoption. Accordingly, they have no material impact on the financial statements of the Group and the Company.

**A2. Audit report qualification and status of matters raised**

The audit report of the Group's annual financial statements for the year ended 31/12/2023 did not contain any qualifications.

**A3. Seasonality or Cyclical Factors**

The Group's performance is not materially affected by any seasonal or cyclical factors.

**Unaudited Report on Consolidated Results for the 6 months ended 30 June 2024 (Cont'd)**

**Notes to the interim financial report (Cont'd)**

**Part A: Explanatory Notes Pursuant to the Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting (Cont'd)**

**A4. Unusual Items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items of nature, size or incidence that affect the assets, liabilities, equity, net income or cash flows of the Group during the current quarter and year ended 30/06/2024.

**A5. Material Changes in estimates**

There were no changes in estimates that have had materially affected the Group during the current quarter and cumulative quarter under review.

**A6. Issuances, repurchases and repayments of debts and equity instruments**

There were no issuances, repurchases and repayments of debt and equity securities, shares buy-back, shares cancellation, shares held as treasury shares or resale of treasury shares during the current quarter under review.

**A7. Dividends paid**

There were no dividends paid during the current quarter and year ended 30/06/2024.

**A8. Operating Segment Information**

For management purposes, the Company is engaged in investment holding related activities. The Group categorises its business units based on their products and services, and has four reportable operating segments as follows:

- a) The stainless steel and metal-related products segment is in the business of manufacture and sales of stainless steel tubes and pipes, and processing of stainless steel sheets products and trading of other metal-related products;
- b) The marine hardware & consumable segment is in the business of trading of marine hardware;
- c) The other industrial hardware segment is in the business of trading of industrial hardware; and
- d) The engineering works segment consist of the following:-
  - (i) Engineering, fabricating, supplying and installation of glove dipping lines; and
  - (ii) Fabricating, supplying and installation of aluminium, glass and aluminium related products for the retail and project businesses.

**Results for 3 months ended**

	<b>Stainless steel and metal-related products</b>	<b>Marine hardware &amp; consumable</b>	<b>Other industrial hardware</b>	<b>Engineering works (i)</b>	<b>Engineering works (ii)</b>	<b>Investment holding</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>30/06/2024</b>							
Revenues from external customers	34,587	5,868	6,701	83	24,065	7	<b>71,311</b>
Reportable segment gross profit/(loss)	5,113	1,352	1,895	(46)	3,128	7	<b>11,449</b>
<b>30/06/2023</b>							
Revenues from external customers	25,604	5,382	15,433	(131)	-	7	46,295
Reportable segment gross profit/(loss)	3,008	1,152	65	(242)	-	7	3,990



**Unaudited Report on Consolidated Results for the 6 months ended 30 June 2024 (Cont'd)**

**Notes to the interim financial report (Cont'd)**

**Part A: Explanatory Notes Pursuant to the Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting (Cont'd)**

**Results for 6 months ended**

	Stainless steel and metal-related products	Marine hardware & consumable	Other industrial hardware	Engineering works (i)	Engineering works (ii)	Investment holding	Total
<b>30/06/2024</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenues from external customers	62,454	10,935	38,491	868	54,960	15	<b>167,723</b>
Reportable segment gross profit	7,931	2,480	4,148	146	7,467	15	<b>22,187</b>
<b>30/06/2023</b>							
Revenues from external customers	50,461	10,930	27,042	(131)	-	15	88,317
Reportable segment gross profit/(loss)	5,120	2,354	598	(308)	-	15	7,779

**A9. Material events subsequent to the end of the interim period**

There were no material events subsequent to the current quarter ended 30/06/2024 up to the date of this interim financial report which may substantially affect the results of the operations of the Group.

**A10. Effects of changes in the composition of the Group and financial year-to-date**

On 02/05/2024, the Company had entered into a share sale agreement with Lee Choon Ming to acquire the remaining 40% equity interest in EIE Asian Holding Sdn Bhd ("EIEAH") for a cash consideration of RM2,800,000.00. Consequently, EIEAH became a wholly-owned subsidiary.

Saved as disclosed above, there were no changes in composition of the Group during the current quarter ended 30/06/2024.

**A11. Changes in contingent liabilities & assets since the last annual financial statements date**

There were no changes in the contingent liabilities and assets of the Group since the last audited date of the financial statements.

**A12. Capital commitment**

There were no capital commitments either contracted upon or otherwise that had affected the Group as at the current quarter ended 30/06/2024.

**A13. Related party transactions**

The Group's related party transactions in the current quarter and the cumulative period to date ended 30/06/2024 are as follows:

	Current Quarter		Cumulative Quarter	
	6 months ended	6 months ended	6 months ended	6 months ended
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM'000	RM'000	RM'000	RM'000
<u>Transactions with company associate to a director</u>				
Rental received from a company in which a director has interest	2	3	5	6

**Unaudited Report on Consolidated Results for the 6 months ended 30 June 2024 (Cont'd)**

**Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad**

**Part B: Explanatory Notes Pursuant to Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

**B1. Review of performance**

	Current Quarter			Cumulative Quarter		
	30/06/2024 RM'000	30/06/2023 RM'000	Changes %	30/06/2024 RM'000	30/06/2023 RM'000	Changes %
Revenue	<b>71,311</b>	46,295	54.0	<b>167,723</b>	88,317	89.9
<b>Operating Profit</b>	<b>4,114</b>	1,219	237.5	<b>7,419</b>	2,754	169.4
Profit Before Interest and Tax	<b>4,114</b>	1,282	220.9	<b>7,419</b>	2,880	157.6
Profit Before Tax	<b>2,494</b>	154	1,519.5	<b>4,259</b>	944	351.2
<b>Profit After Tax</b>	<b>1,630</b>	162	906.2	<b>2,756</b>	827	233.3
Profit Attributable to owners of the Company	<b>1,504</b>	136	1,005.9	<b>2,515</b>	766	228.3

The Group recorded a revenue of RM71.31 million for the current quarter ended 30/06/2024, an increase of RM25.02 million or 54.04% compared to the revenue of RM46.29 million for the corresponding period in the previous financial year. The revenue increase mainly arises from the current quarter's stainless steel and metal-related products and aluminium projects.

The Group reported a profit before tax of RM2.49 million for the current quarter ended 30/06/2024, compared to RM0.16 million in the corresponding period in the previous financial year. The profit improvement mainly contributed by the margin recovery from the current quarter's stainless steel and metal-related products and aluminium projects.

**Stainless Steel and Metal-Related Products Segment:**

The stainless steel and metal-related products segment contributed revenue of RM34.59 million in the current quarter under review. It represented an increase of RM8.98 million from RM25.60 million for the corresponding quarter in the previous financial year. In addition, the current quarter's segmental gross profit has increased to RM5.11 million from RM3.01 million, representing an increase of RM2.10 million or 69.98%. The improvement was mainly due to the stabilisation of the cost of raw materials and selling prices in the current quarter.

**Marine Hardware and Consumable Segment:**

The marine hardware and consumables segment contributed revenue of RM5.87 million in the current quarter under review. It represented an increase of RM0.49 million or 9.03% from RM5.38 million for the corresponding quarter in the previous financial year. In addition, the current quarter's segmental gross profit increased slightly from RM1.15 million to RM1.35 million, representing an increase of RM0.2 million or 17.36%, mainly from better revenue generated in the current quarter.

**Other Industrial Hardware Segment:**

Other industrial hardware segments contributed revenue of RM6.70 million in the current quarter under review. It represented a decrease of RM8.73 million or 56.58% from RM15.43 million for the corresponding quarter in the previous financial year. In addition, the current quarter's segmental gross profit increased to RM1.89 million from RM0.06 million, representing an increase of RM1.83 million or 3,050.00%. The improvement in gross profit was due to a better margin from revenue registered in the current quarter.

**Engineering Works Segment (i):**

Glove dipping lines

The engineering work segment reported a revenue of RM0.08 million in the current quarter under review and reported a gross loss of RM0.04 million after finalising remaining the project in the current quarter.

**Unaudited Report on Consolidated Results for the 6 months ended 30 June 2024 (Cont'd)**

**Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)**

**Part B: Explanatory Notes Pursuant to Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)**

**B1. Review of performance (Cont'd)**

**Engineering Works Segment (ii):**

Aluminium

The engineering work segment reported a revenue of RM24.06 million in the current quarter under review. The segment registered a gross profit of RM3.13 million, mainly due to the projects with better margins from their order book in the current quarter.

**B2. Comparison with immediate preceding quarter's results**

	Current Quarter	Immediate Preceding Quarter	Changes
	30/06/2024 RM'000	31/03/2024 RM'000	(%)
Revenue	71,311	96,412	(26.0)
<b>Operating Profit</b>	<b>4,114</b>	3,305	24.5
Profit Before Interest and Tax	4,114	3,305	24.5
Profit Before Tax	2,494	1,765	41.3
<b>Profit After Tax</b>	<b>1,630</b>	1,126	44.8
Profit Attributable to owners of the Company	1,504	1,011	48.8

Revenue in the current quarter recorded a decrease of RM25.10 million or 26.03% compared to the previous quarter. The Group registered a profit before tax of RM2.49 million compared to RM1.77 million in the last quarter. The Group managed to improve its profitability by 41.30% from the last quarter to the current quarter, mainly due to the contribution from Engineering works - the Aluminum segment with a better margin project and the cost of raw materials and selling prices are more stabilise for stainless steel and metal-related products. As such, the Group continues to perform positively financially from the operations in the first half year of 2024.

**B3. Commentary on prospects**

The Group will continue to focus on expanding its customer base by entering new geographic markets and developing new products or services, specifically in the aluminium fabrication segment. Venturing into new segments allows the Group to access new customer bases and markets. Aluminium-related businesses cater to different industries or applications, providing opportunities for growth and market expansion. Furthermore, the Group will be able to offer a broader range of products and services, making it a one-stop solution for customers' needs in construction, manufacturing and other industries. The Group will also actively tender for various other projects, such as stainless steel water piping and plumbing solutions, to increase profitability. In addition, the Group will target a mix of projects across various industries and applications to reduce dependency on specific market segments and mitigate dependency risks.

The Acquisition of Metalmach Micro Technology Sdn Bhd has been completed on 31/07/2024. This has enable the Group to expand its existing business to include manufacturing of high precision metal products.

Accordingly, the Group is cautiously optimistic about the outlook for 2024. The Board will continue to review the Group's operations and financial performance and maintain a healthy cash flow position.

**B4. Profit forecast or profit guarantee**

Not applicable as the Group has not issued any profit forecast or profit guarantee in a public document.

**Unaudited Report on Consolidated Results for the 6 months ended 30 June 2024 (Cont'd)**

**Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)**

**Part B: Explanatory Notes Pursuant to Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)**

**B5. Taxation**

	Current Quarter		Cumulative Quarter	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM'000	RM'000	RM'000	RM'000
Current income tax				
- for the financial period/year	<b>864</b>	8	<b>1,503</b>	(117)
	<b>864</b>	8	<b>1,503</b>	(117)

Income tax expense is recognised in each interim period based on the best estimate of the income tax payable for the current quarter. The effective tax rate is higher than the statutory tax rate due to add back of non-deductible expenses and current period losses by certain companies within the group.

**B6. Status of corporate proposals**

**(a) Corporate proposals**

The following are the corporate proposal that have been announced by the Company which have not yet completed as at the date of issue of this quarterly report.

The share sale agreement for the acquisition of 1,104,000 ordinary shares in Metalmach Micro Technology Sdn Bhd ("Metalmach"), representing 40.0% equity interest in Metalmach ("Acquisition") for a total cash consideration of RM14,000,000 was approved during the EGM held on 11/06/2024 and completed on 31/07/2024.

**(b) Utilisation of proceeds**

The summary of the utilisation of proceeds from Private Placement is as follows:-

(i) The 1st Private Placement was completed on 11/01/2021 and RM10,257,250 were received.

To-date, the Company has yet to fully utilise the Private Placement Proceeds. The Board has resolved to extend the timeframe for the utilisation of proceeds for the business expansion.

The status of the utilisation of the Private Placement Proceeds are as follows:-

Purpose	Private Placement received	Actual utilisation	Unutilised Proceed	Initial Time Frame for Utilisation	Extended Time Frame for Utilisation
	RM'000	RM'000	RM'000		
(i) Business Expansion	5,000	-	5,000	18 Months	Additional 24 Months
(ii) Working Capital	5,157	5,157	-	-	-
(iii) Defray estimated expenses	100	100	-	-	-
	<b>10,257</b>	<b>5,257</b>	<b>5,000</b>		

The construction of the new office building had commenced during the current quarter under review and is expecting to complete by first half of 2025.

**Unaudited Report on Consolidated Results for the 6 months ended 30 June 2024 (Cont'd)**

**Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)**

**Part B: Explanatory Notes Pursuant to Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)**

**B6. Status of corporate proposals (Cont'd)**

**(b) Utilisation of proceeds (Cont'd)**

(ii) The first tranche of the 2nd Private Placement of 25,000,000 ordinary shares issued at RM0.85 per share, for a total consideration of RM21,250,000 was allotted and listed on 30/07/2024.

To-date status of the utilisation of the 2nd Private Placement Proceeds are as follows:-

Purpose	Private Placement received	Actual utilisation	Unutilised Proceed	Time Frame for Utilisation
	RM'000	RM'000	RM'000	
(i) Acquisition	14,000	14,000	-	1 Month
(ii) Working Capital	6,150	-	6,150	12 Months
(iii) Defray estimated expenses	1,100	1,100	-	1 Month
	<b>21,250</b>	<b>15,100</b>	<b>6,150</b>	

**B7. Details of Group borrowings and debts securities**

The Group's borrowings securities denominated in Malaysian Ringgit as at 30/06/2024 are as follows:-

	As at	
	30/06/2024	31/12/2023
	RM'000	RM'000
<b>Secured</b>		
Non-current:		
Term loans	<b>19,334</b>	19,789
Lease liabilities	<b>1,628</b>	1,829
Borrowings - Non-Current	<b>20,962</b>	21,618
Current:		
Term loans	<b>915</b>	897
Bills and other trade financing liabilities	<b>112,725</b>	95,920
Lease liabilities	<b>1,036</b>	1,060
Bank overdrafts	<b>4,733</b>	5,196
Borrowings - Current	<b>119,409</b>	103,073
Total Borrowings	<b>140,371</b>	124,691

**B7. Profit before taxation**

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

	Current Quarter		Cumulative Quarter	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM'000	RM'000	RM'000	RM'000
1) Other income				
Realised gain on other investments	-	(340)	-	(340)
Dividend income	<b>265</b>	-	<b>265</b>	-
2) Administration expenses & Cost of sales:				
Depreciation of properties, plant & equipment	<b>851</b>	777	<b>1,697</b>	1,567
Property, Plant & Equipment written off	<b>4</b>	-	<b>4</b>	-
Employee benefit expenses	<b>4,958</b>	3,173	<b>9,870</b>	7,269
3) Other (gains)/expenses:				
Amortisation of intangible assets - balance contracts	<b>332</b>	-	<b>664</b>	-
Inventories written down	<b>51</b>	-	<b>261</b>	-
Impairment loss on trade receivables	<b>15</b>	-	<b>30</b>	-
Reversal of impairment loss on slow moving inventories	-	(26)	-	(26)
Reversal of impairment loss on trade receivables	<b>(155)</b>	(135)	<b>(359)</b>	(135)
Realised (gain)/loss on foreign exchange	<b>42</b>	30	<b>23</b>	61
Gain on termination of leases	<b>(1)</b>	(11)	<b>(30)</b>	(11)
Loss/(gain) on disposal of properties, plant & equipment	<b>(106)</b>	185	<b>(163)</b>	167

**Unaudited Report on Consolidated Results for the 6 months ended 30 June 2024 (Cont'd)**

**Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)**

**Part B: Explanatory Notes Pursuant to Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)**

**B8. Profit before taxation (Cont'd)**

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

	Current Quarter		Cumulative Quarter	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM'000	RM'000	RM'000	RM'000
3) Other (gains)/expenses (Cont'd):				
Fair value gain on other investments	-	(1,686)	-	(4,246)
4) Finance costs/(income):				
Interest income	(30)	(12)	(65)	(12)
Bank overdrafts	102	17	207	31
Bankers acceptance	1,158	864	2,243	1,497
Lease liabilities	37	39	72	87
Term loan	243	213	483	326
Revolving credit	-	-	-	-
Other interests	110	7	220	7

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

**B9. Changes in Material Litigations**

The Group is not engaged in any material litigation either as plaintiff or defendant and the directors do not have any knowledge of any proceedings pending which might materially and adversely affect the financial position or business of the Group for the current quarter and year ended 30/06/2024.

**B10. Proposed Dividends**

The Directors do not recommend any dividends for the current quarter and year ended 30/06/2024.

**B11. Earnings per share**

(a) The earnings used as the numerator in calculating Basic and Diluted earnings per share (EPS) for the current quarter and cumulative quarter ended 30/06/2024 are as follows:

	Current Quarter RM'000	Cumulative Quarter RM'000
Profit for the financial period attributable to owners of the Parent (used as numerator for the Basic EPS)	<u>1,504</u>	<u>2,515</u>

(b) The weighted average number of ordinary shares used in the denominator in calculating Basic and Diluted earnings per share for the current quarter and cumulative quarter ended 30/06/2024 are as follows:

	Current Quarter '000	Cumulative Quarter '000
Weighted average number of ordinary shares in issue (used as denominator for the Basic EPS)	<u>150,236</u>	<u>150,236</u>
Weighted average number of ordinary shares in issue (used as denominator for the Diluted EPS)	<u>150,236</u>	<u>150,236</u>

Diluted earnings per share is equivalent to Basic EPS as the Group does not have any dilutive potential ordinary shares in issue during the current quarter and cumulative quarter under review.

**B12. Authorisation for issue**

The interim unaudited financial report was duly reviewed by Audit and Risk Management Committee and approved by the Board of Directors on 20/08/2024.