

VELESTO ENERGY BERHAD

COMPANY NO : 200901035667 (878786-H)
(INCORPORATED IN MALAYSIA)



Unaudited Condensed Consolidated Statement Of Comprehensive Income For The First Quarter Ended 31 March 2024

	Quarter Ended 31/03/2024 RM'000	Quarter Ended 31/03/2023 RM'000	Period Ended 31/03/2024 RM'000	Period Ended 31/03/2023 RM'000
Revenue	338,576	287,251	338,576	287,251
Operating Expenses	(270,771)	(260,835)	(270,771)	(260,835)
Other Operating Income	310	424	310	424
Profit From Operations	68,115	26,840	68,115	26,840
Finance Costs	(9,311)	(12,182)	(9,311)	(12,182)
Share of Results of Associate	53	24	53	24
Investment Income	1,334	809	1,334	809
Profit Before Tax	60,191	15,491	60,191	15,491
Taxation	(13,381)	(1,269)	(13,381)	(1,269)
Profit, Net of Tax	46,810	14,222	46,810	14,222
Other Comprehensive Income:				
Foreign Currency Translation	24,503	588	24,503	588
Other Comprehensive Income, Net of Tax	24,503	588	24,503	588
Total Comprehensive Income For The Year	71,313	14,810	71,313	14,810
Profit For The Period Attributable To:				
Equity Holders of the Company	46,810	14,222	46,810	14,222
Total Comprehensive Income Attributable To:				
Equity Holders of the Company	71,313	14,810	71,313	14,810
Earnings Per Share Attributable To Equity Holders of the Company:				
Basic (Sen)	0.57	0.17	0.57	0.17
Diluted (Sen)	0.57	0.17	0.57	0.17

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2023)

VELESTO ENERGY BERHAD

COMPANY NO : 200901035667 (878786-H)
(INCORPORATED IN MALAYSIA)



Unaudited Condensed Consolidated Statement Of Financial Position As At 31 March 2024

	Unaudited As At 31/03/2024 RM'000	Audited As At 31/12/2023 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	2,457,941	2,421,587
Right-of-use Assets	7,502	8,430
Investment In Associate	1,383	1,329
	<u>2,466,826</u>	<u>2,431,346</u>
Current Assets		
Inventories	160,371	178,709
Trade and Other Receivables	422,892	363,490
Tax Recoverable	1,870	1,885
Deposits, Cash & Bank Balances	159,655	132,215
	<u>744,788</u>	<u>676,299</u>
TOTAL ASSETS	<u>3,211,614</u>	<u>3,107,645</u>
EQUITY AND LIABILITIES		
Equity Attributable To The Equity Holders Of The Company		
Share Capital	1,844,817	1,844,817
Share Options Reserve	10,473	9,739
Warrant Reserve	211,876	211,876
Other Reserves	952,336	927,833
Accumulated Losses	(471,587)	(518,857)
TOTAL EQUITY	<u>2,547,915</u>	<u>2,475,408</u>
Non-Current Liabilities		
Long Term Borrowings	232,958	244,326
Lease Liabilities	3,398	3,386
	<u>236,356</u>	<u>247,712</u>
Current Liabilities		
Taxation	16,481	5,938
Short Term Borrowings	117,302	114,288
Lease Liabilities	3,185	4,097
Trade and Other Payables	290,375	260,202
	<u>427,343</u>	<u>384,525</u>
TOTAL LIABILITIES	<u>663,699</u>	<u>632,237</u>
TOTAL EQUITY AND LIABILITIES	<u>3,211,614</u>	<u>3,107,645</u>
Net Assets Per Share (RM)	0.31	0.30

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2023)

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Unaudited Condensed Consolidated Statement Of Changes In Equity

	Non - Distributable					Distributable		
	Share Capital RM'000	Share Options Reserve RM'000	Warrant Reserve RM'000	Capital Reserve RM'000	Foreign Currency Translation Reserve RM'000	Gain On Derecognition of Financial Liabilities RM'000	Accumulated Losses RM'000	Total Equity RM'000
For The Quarter Ended 31 March 2024								
At 1 January 2024	1,844,817	9,739	211,876	698	848,990	78,145	(518,857)	2,475,408
Transactions With Owners:								
Share Options Adjustment	-	734	-	-	-	-	460	1,194
Total Comprehensive Income	-	-	-	-	24,503	-	46,810	71,313
At 31 March 2024	<u>1,844,817</u>	<u>10,473</u>	<u>211,876</u>	<u>698</u>	<u>873,493</u>	<u>78,145</u>	<u>(471,587)</u>	<u>2,547,915</u>
For The Quarter Ended 31 March 2023								
At 1 January 2023	1,844,817	9,962	211,876	698	755,565	78,145	(619,396)	2,281,667
Transactions With Owners:								
Share Options Adjustment	-	(201)	-	-	-	-	201	-
Total Comprehensive Income	-	-	-	-	588	-	14,222	14,810
At 31 March 2023	<u>1,844,817</u>	<u>9,761</u>	<u>211,876</u>	<u>698</u>	<u>756,153</u>	<u>78,145</u>	<u>(604,973)</u>	<u>2,296,477</u>

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2023)

VELESTO ENERGY BERHAD

COMPANY NO : 200901035667 (878786-H)
(INCORPORATED IN MALAYSIA)



Unaudited Condensed Consolidated Statement Of Cash Flows For The Quarter Ended 31 March 2024

	(Unaudited) 3 Months Ended 31/03/2024 RM'000	(Unaudited) 3 Months Ended 31/03/2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	60,191	15,491
Adjustments		
Depreciation & Amortisation	65,645	47,439
Interest Expense	9,311	12,182
Net Unrealised Foreign Exchange Loss / (Gain)	337	(3,708)
Share of Results of Associate	(53)	(24)
Investment Income	(1,334)	(809)
Share options granted under ESOS	1,194	-
Net gain on disposal of property, plant and equipment	(1,358)	-
Asset Written Off	-	707
Provision for Unutilised Leave	-	5
Operating Profit Before Working Capital Changes	<u>133,933</u>	<u>71,283</u>
Increase in Receivables	(59,334)	(49,180)
Decrease / (Increase) in Inventories	23,134	(9,784)
(Decrease) / Increase in Payables	<u>(10,413)</u>	<u>21,481</u>
Cash Generated From Operating Activities	87,320	33,800
Net Taxes Paid	<u>(2,823)</u>	<u>(1,330)</u>
Net Cash Generated From Operating Activities	<u>84,497</u>	<u>32,470</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(34,746)	(9,902)
Interest Received	1,265	809
Movement in Investments in Money Market Fund	(61)	-
Proceeds from disposal of property, plant and equipment	2,327	-
Movement in Deposits Placement With Maturity of More Than 3 months	-	(802)
Net Cash Used In Investing Activities	<u>(31,215)</u>	<u>(9,895)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (Repayment) / Drawdown of Borrowings	(19,220)	4,451
Interest Paid	(7,827)	(9,299)
Payment of Lease Liabilities	(1,003)	(1,038)
Net Movement In Restricted Cash Deposits in Licensed Bank	5,701	758
Net Cash Used In Financing Activities	<u>(22,349)</u>	<u>(5,128)</u>
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	30,933	17,447
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	119,809	113,323
EFFECTS OF EXCHANGE RATE CHANGES	2,147	400
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	<u>152,889</u>	<u>131,170</u>
Cash and Cash Equivalents comprise:		
Deposits, Cash & Bank Balances	159,655	137,919
Less: Restricted Cash	(65)	(5,947)
Less: Investment in Money Market Fund	(6,701)	-
Less: Deposits With Maturity of More Than 3 months	-	(802)
	<u>152,889</u>	<u>131,170</u>

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2023)

Explanatory Notes

NOTE 1 – Significant accounting policies

Basis of preparation

The interim financial statements have been prepared in accordance with the requirements of International Accounting Standards (“IAS”) 34, Interim Financial Reporting and Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The significant accounting policies and methods of computation in the interim financial statements are consistent with those in the annual audited financial statements for the year ended 31 December 2023 except for the adoption of the following MFRS/Amendments/Interpretations effective on or after 1 January 2024:

- Amendment to MFRS 16: Leases - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Non-current Liabilities with Covenants
- Amendments to MFRS 107: Statement of Cash Flows - Disclosure: Supplier Finance Arrangements
- Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

The adoption of these pronouncements did not have a material impact to the financial statements of the Group and the Company.

Standards issued but not yet effective:

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but not yet effective and have not been applied by the Group:

- Amendments to MFRS 10: Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Deferred)

NOTE 2 – Seasonal or Cyclical Factors

The Group is principally engaged in:

- (a) the provision of drilling services for exploration, development and production wells to the upstream sector of the oil and gas industry;
- (b) the provision of integrated services includes workover operations for the oil and gas industry; and
- (c) threading, inspection and repair services for Oil Country Tubular Goods, with a focus on premium connections used in high-end and complex wells.

The Group’s products and services are dependent on the level of activity, and the corresponding capital spending by oil and gas companies. These oil and gas companies are affected by volatile oil and natural gas prices, and cyclicity in the offshore drilling and oilfield services industries.

NOTE 3 – Exceptional Items

There were no material unusual items affecting the Group’s assets, liabilities, equity, net income or cash flows during the financial period ended 31 March 2024.

NOTE 4 – Accounting Estimates

There were no changes in estimates that have a material effect in the current financial period, other than as disclosed in these interim financial statements.

NOTE 5 – Issuance or Repayment of Debt and Equity Securities

There were no issuances, repurchases or repayments of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period under review.

NOTE 6 – Dividend Paid

No dividend has been paid during the financial period ended 31 March 2024.

NOTE 7 – Segmental Reporting

Quarter Ended 31 March 2024

Business Segment	Revenue RM'000	Profit / (Loss) Before Tax RM'000	Profit / (Loss) Attributable to Owners of the Company RM'000
Drilling Services	270,422	77,791	64,674
<i>Drilling</i>	234,953	65,305	52,188
<i>Drilling (i-RDC)</i>	35,469	12,486	12,486
Integrated Project Management	65,158	2,943	2,866
<i>Workover Services</i>	10,786	990	913
<i>i-RDC</i>	89,841	14,439	14,439
<i>Drilling (i-RDC)</i>	(35,469)	(12,486)	(12,486)
Oilfield Services	2,840	211	106
Others (include corporate expenses)	156	(20,754)	(20,836)
Consolidated Total	338,576	60,191	46,810

With effect from 1 October 2022, the Group has introduced Integrated Services (now referred to as Integrated Project Management) segment which comprises Workover Services and Integrated Rig Drilling Completion ("i-RDC") Services.

Other than the above, there has been no material change in total assets and no differences in the basis of segmentation or basis of measurement of segment profit or loss as compared to the previous interim financial statements.

NOTE 8 – Subsequent Material Events

There has been no material event or transaction during the period from 31 March 2024 to the date of this announcement, which substantially affects the results of the Group for the financial period ended 31 March 2024.

NOTE 9 – Changes in the Group Composition

There were no changes in the composition of the Group during the financial period ended 31 March 2024.

NOTE 10 – Commitments for the purchase of Property, Plant and Equipment

The capital commitments are in respect of the following:

	31/03/2024
	RM'000
Approved and contracted for:	
Equipment, plant and machinery	3,744
Others	766
	<u>4,510</u>
Approved but not contracted for:	
Equipment, plant and machinery	223,146
Others	27,914
	<u>251,060</u>
Total	<u>255,570</u>

NOTE 11 - Significant Related Party Transactions

There were no significant related party transactions for the financial period ended 31 March 2024.

NOTE 12 – Classification of Financial Assets

There were no changes in the classification of financial assets as a result of a change in the purpose or use of the asset.

NOTE 13 – Contingent Liabilities and Contingent Assets

There were no material contingent liabilities and contingent assets as at 31 March 2024.

NOTE 14 – Review of Performance

Performance of Current Quarter Against the Quarter Ended 31 March 2023 (“corresponding quarter”)

Business Segment	Revenue		Profit / (Loss) Before Tax	
	Quarter ended	Quarter ended	Quarter ended	Quarter ended
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM'000	RM'000	RM'000	RM'000
Drilling Services	270,422	184,397	77,791	25,317
<i>Drilling</i>	234,953	151,786	65,305	18,532
<i>Drilling (i-RDC)</i>	35,469	32,611	12,486	6,785
Integrated Project Management	65,158	99,658	2,943	4,774
<i>Workover Services</i>	10,786	29,494	990	4,438
<i>i-RDC</i>	89,841	102,775	14,439	7,121
<i>Drilling (i-RDC)</i>	(35,469)	(32,611)	(12,486)	(6,785)
Oilfield Services	2,840	3,071	211	885
Others (include corporate expenses)	156	125	(20,754)	(15,485)
Total	<u>338,576</u>	<u>287,251</u>	<u>60,191</u>	<u>15,491</u>

NOTE 14 – Review of Performance (cont'd.)**Performance of Current Quarter Against the Quarter Ended 31 March 2023 (“corresponding quarter”) (cont'd.)****Group**

Group revenue of RM338.6 million was RM51.3 million higher than the corresponding quarter's revenue of RM287.3 million, mainly due to higher utilisation and average daily charter rates for jack-up rigs under Drilling Services during the current quarter.

The Group reported profit before tax of RM60.2 million in the current quarter, higher by RM44.7 million against profit before tax of RM15.5 million in the corresponding quarter, in line with higher revenue in the current quarter.

Analysis of segmental performance against the corresponding quarter are as follows:

Drilling Services Segment

Drilling Services segment revenue of RM270.4 million was RM86.0 million higher than the corresponding quarter's revenue of RM184.4 million, mainly due to higher jack-up rigs utilisation of 94% (corresponding quarter: 90%) and average daily charter rates in the current quarter of USD107k/day (corresponding quarter: USD86k/day).

The segment registered a profit before tax of RM77.8 million, higher by RM52.5 million as compared to a profit before tax of RM25.3 million in the corresponding quarter, mainly due to higher revenue in the current quarter.

Integrated Project Management

The Integrated Project Management segment revenue of RM65.2 million was RM34.5 million lower than the corresponding quarter's revenue of RM99.7 million, due to lower utilisation of hydraulic workover units and fewer milestones completed for i-RDC project as per the project timeline.

The segment recorded lower profit before tax of RM2.9 million compared to a profit before tax of RM4.8 million in the corresponding quarter;

(a) in line with lower revenue for hydraulic workover units; and offset with

(b) higher profit in the current quarter for iRDC project relative to the corresponding quarter as there were one-off expenses incurred for certification and rental of tubulars as well as mercury management services in the corresponding quarter.

Oilfield Services Segment

The Oilfield Services segment which is mainly from operation in Tianjin, recorded a lower revenue of RM2.8 million in the current quarter compared to RM3.1 million in the corresponding quarter.

The segment recorded lower profit before tax by RM0.7 million in the current quarter, in line with the lower revenue in the current quarter.

Others Segment (include corporate expenses)

Others segment which include corporate expenses recorded higher loss before tax of RM20.8 million in the current quarter compared to RM15.5 million loss in the corresponding quarter, mainly due to amortisation of share option cost and higher corporate expenses recognised in the current quarter.

NOTE 15 – Comparison with Immediate Preceding Quarter’s Results

Business Segment	Revenue		Profit / (Loss) Before Tax	
	Quarter ended	Quarter ended	Quarter ended	Quarter ended
	31/03/2024	31/12/2023	31/03/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Drilling Services	270,422	234,459	77,791	85,003
<i>Drilling</i>	234,953	198,773	65,305	78,798
<i>Drilling (i-RDC)</i>	35,469	35,686	12,486	6,205
Integrated Project Management	65,158	121,620	2,943	12,352
<i>Workover Services</i>	10,786	15,621	990	(289)
<i>i-RDC</i>	89,841	141,685	14,439	18,846
<i>Drilling (i-RDC)</i>	(35,469)	(35,686)	(12,486)	(6,205)
Oilfield Services	2,840	2,755	211	735
Others (include corporate expenses)	156	51	(20,754)	(18,225)
Total	338,576	358,885	60,191	79,865

The Group’s revenue of RM338.6 million was RM20.3 million lower than the immediate preceding quarter’s revenue of RM358.9 million. This was mainly due to lower utilisation of hydraulic workover unit and lower progress for i-RDC project under Integrated Project Management in the current quarter.

The Group recorded a profit before tax of RM60.2 million, lower by RM19.7 million against a profit before tax of RM79.9 million in the immediate preceding quarter, mainly due to lower contribution from Drilling Services from higher depreciation arising from NAGA 4 Special Periodic Survey activity which was completed in August 2023 and provision for accelerated depreciation made for certain drilling assets. The Integrated Project Management lower profit mainly due to lower progress for i-RDC project in the current quarter.

NOTE 16 – Review of Consolidated Statement of Financial Position

	Unaudited	Audited
	As at	As at
	31/03/2024	31/12/2023
	RM'000	RM'000
Total assets	3,211,614	3,107,645
Total equity	2,547,915	2,475,408
Total liabilities	663,699	632,237
Total equity and liabilities	3,211,614	3,107,645

The Group’s total assets increased by RM104.0 million mainly due to the increased in property, plant and equipment, receivables as well as cash and bank balances.

Total equity increased by RM72.5 million mainly due to profit net of tax for the current period and movement in foreign currency translation reserve.

Total liabilities increased by RM31.5 million mainly due to higher trade and other payables during the current period which were offset with lower borrowing balances.

Other than the above, there is no other material movement in total assets and total liabilities as compared to the audited annual financial statements for the financial year ended 31 December 2023.

NOTE 17 – Current Prospect

The oil and gas outlook fundamentals remain strong. The benchmark Brent oil price has remained around USD80 per barrel in recent months due to both improving economic prospects and increasing global oil demand. The International Monetary Fund ("IMF") maintained its projected global Gross Domestic Product ("GDP") growth rate for 2024 at 3.1% while raising its forecast for 2025 to 3.2%. U.S. Energy Information Administration ("EIA") is forecasting for global oil demand in 2024 to increase to 102.9 million barrels per day in 2024 and 104.3 million barrels per day in 2025.

On the supply side, OPEC+ and Saudi Arabia are expected to maintain their production cuts, offset by increasing supply from non-OPEC countries. As such, inventory changes and oil markets are expected to continue to remain balanced. Geopolitical risk that may result in uncertainty to oil supply and markets remains high. However, it has not affected oil markets as significantly as expected.

We expect overall global utilisation of jack-up rigs to remain strong for 2024/2025. However, the jack-up drilling rig market may experience uncertainty. The Group is monitoring the current situation in the Middle East for its future bidding strategy, especially for mid-2026 onwards.

Global and regional upstream oil and gas activities including in Southeast Asia continue its upward trend, with more exploration and development projects being evaluated, re-visited and sanctioned. Major oil producers continue to increase their CAPEX in response to prolonged lack of investment in the past. In Southeast Asia, particularly Malaysia, a number of new contracts have been awarded with more being tendered out.

Drilling Services Segment

Global competition for assets such as jack-up rigs remain heightened. Jack-up marketed utilisation in Southeast Asia and Malaysia remained at 100% and charter rates for the latest fixtures continues to be on an uptrend.

The Group's utilisation is expected to remain high in 2024. Currently, all six of the Group's jack-up drilling rigs are contracted. NAGA 2, NAGA 4, NAGA 6 have been contracted until 1Q2026 and NAGA 8 up to 4Q2025. Meanwhile, NAGA 3 is contracted up to 4Q2024 (inclusive options) and NAGA 5 is contracted up to 3Q2024. The Group is actively bidding for new tenders for local and international contracts for activities to be performed in 2024, and up to 2026 and beyond.

At least three of our rigs, namely NAGA 2, NAGA 5 and NAGA 6 are expected to commence their 5-yearly Special Periodical Survey in 2Q 2024, 3Q 2024 and 4Q 2024 respectively.

Integrated Project Management Segment

The i-RDC project is progressing well and we have been awarded an extension to complete one additional well. As such, NAGA 5 is expected to be contracted until August 2024. GAIT 6 is currently contracted with ExxonMobil. The Group is participating in tendering activities for 2024 and 2025.

Group

The positive outlook in the global oil and gas industry augurs well for the Group's financial performance. Barring any unforeseen circumstances, the Group is optimistic that the financial performance for the financial year 2024 will be as promising as 2023.

NOTE 18 – Statement on Revenue and Profit Forecast

This is not applicable to the Group.

NOTE 19 – Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

NOTE 20 – Taxation

	Quarter ended 31/03/2024 RM'000
Taxation	
Malaysian taxation	12,796
Foreign taxation	585
Total	13,381

NOTE 21 – Corporate Proposals

There was no corporate proposal announced but not completed on the date of this announcement.

NOTE 22 – Group Borrowings and Debt Securities

As at 31 March 2024

	USD'000 borrowings	RM'000 borrowings	RM'000 equivalent
Short term borrowings			
- Secured			
USD revolving credit	22,000	-	104,302
RM revolving credit	-	13,000	13,000
	<u>22,000</u>	<u>13,000</u>	<u>117,302</u>
Long term borrowings			
- Secured			
Long term loan	50,000	-	237,050
Less: Transaction cost	-	-	(4,092)
	<u>50,000</u>	<u>-</u>	<u>232,958</u>
Total	<u>72,000</u>	<u>13,000</u>	<u>350,260</u>
	Revolving Credit RM '000	Long Term Borrowings RM '000	Total RM '000
Movements of Borrowings			
At 1 January 2024	114,288	244,326	358,614
Unamortised transaction costs	-	4,290	4,290
Gross Borrowings at 1 January 2024	<u>114,288</u>	<u>248,616</u>	<u>362,904</u>
Effect of changes in foreign exchange rate	3,014	7,654	10,668
Repayment	-	(19,220)	(19,220)
	<u>117,302</u>	<u>237,050</u>	<u>354,352</u>
Unamortised transaction costs	-	(4,092)	(4,092)
At 31 March 2024	<u>117,302</u>	<u>232,958</u>	<u>350,260</u>

NOTE 23 – Dividend

There is no dividend recommended for the period ended 31 March 2024.

In respect of the financial year ended 31 December 2023, the Board of Directors has declared interim dividend of 0.25 sen per share on 8,215,600,000 shares.

The dividend will be paid on 24 May 2024 to shareholders registered at the close of business on 25 April 2024. A depositor shall qualify for entitlement only in respect of:

- i) Shares transferred into the Depositor's Securities Account before 4.30pm on 25 April 2024 in respect of Ordinary Transfers; and
- ii) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

NOTE 24 – Earnings Per Share

	Quarter ended 31/03/2024 RM'000	Quarter ended 31/03/2023 RM'000	Period ended 31/03/2024 RM'000	Period ended 31/03/2023 RM'000
Profit For The Period Attributable To:				
Equity Holders Of The Company (RM'000)	46,810	14,222	46,810	14,222
Weighted average number of ordinary shares in issue ('000)				
- Basic	8,215,600	8,215,600	8,215,600	8,215,600
Effects of dilution:				
Options under ESOS ('000)				
ESOS (Tranche 1)	-	-	-	-
ESOS (Tranche 2)	9,135	-	9,135	-
Weighted average number of shares for diluted Earnings Per Share	<u>8,224,735</u>	<u>8,215,600</u>	<u>8,224,735</u>	<u>8,215,600</u>
Earnings Per Share Attributable To Equity Holders Of The Company:				
- Basic (Sen)	0.57	0.17	0.57	0.17
- Diluted (Sen)	<u>0.57</u>	<u>0.17</u>	<u>0.57</u>	<u>0.17</u>

110,220,000 under the Employees' Share Option Scheme ("ESOS") Tranche 2 has been included in the calculation of diluted earnings per share as the average market price of ordinary shares exceeds the exercise price of the options.

However, 46,770,000 under the Employees' Share Option Scheme ("ESOS") Tranche 1 has not been included in the calculation of diluted earnings per share as the exercise price of the options exceeds the average market price of ordinary shares.

NOTE 25 – Audit Qualification

The audit report in respect of the annual financial statements of the Company for the financial year ended 31 December 2023 was not qualified.

NOTE 26 – Items to Disclose in the Statement of Comprehensive Income

	Quarter ended 31/03/2024 RM'000
(a) Investment income	1,334
(b) Depreciation and amortisation	(65,645)
(c) Net foreign exchange gain	<u>101</u>

By Order Of The Board

LEE MI RYOUNG
Secretary
(MAICSA 7058423)

SAZLYNA SAPIEE
Joint Secretary
(MIA 19254)

Kuala Lumpur
23 May 2024