
A. Notes to the financial report for the first financial quarter ended 30 September 2024

1. Basis of preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2024 and the accompanying explanatory notes attached to this interim financial report.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2024 except for the adoption of MFRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2024 respectively which are applicable to the Group. The initial adoption of these applicable MFRSs, amendments and interpretations do not have any material impact on the financial statements of the Group.

2. Audit report of preceding annual financial statements

The auditors' report on the financial statements of the Group for the financial year ended 30 June 2024 was not subject to any qualification.

3. Seasonal or cyclical operations

The business operations of the Group are subject to cyclical effects of the global electronics industries and volatility of real estate markets.

4. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that unusual because of their nature, size or incidence

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

5. Nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year, which give a material effect in the current interim period

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

A. Notes to the financial report for the first financial quarter ended 30 September 2024

6. Issuance, cancellations, repurchases, resale or repayments of debts and equity securities

There were no issuance, repurchase and repayment of debts and equity securities during the current quarter and financial year-to-date ended 30 September 2024.

7. Dividend Paid

There were no dividend paid for the quarter under review. (30.9.2023 : Nil)

8. Segment Information

For management purposes, the Group is organised into business units based on their nature of business and services.

The Group's reportable operating segments are as follows:

- Manufacturing – Manufacture of precision machined components, precision stamping, sheet metal parts, surface treatment, precision moulds, tooling & dies, semiconductor assembly and testing equipment, metal works and structures, modules and parts for oil and gas production and extraction equipment.
- Property Development - Property development and property management.
- Pharmaceutical & Healthcare - Wholesale and retail sale of pharmaceutical and all kinds of healthcare products
- Asset and Investment Management – Property letting, operation of dormitory and hotel operations and investment holding.
- Other operating segments – Money lending and management services.

A. Notes to the financial report for the first financial quarter ended 30 September 2024

8. Segment Information (cont'd)

Period ended 30.9.2024	Manufacturing	Property Development	Pharmaceutical	Asset and Investment Management	Other Operating Segments	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customer	56,590	4,040	24,147	7,871	170	-	92,818
Intersegment revenue	6,956	512	-	7,244	2,199	(16,911)	-
Interest income	208	23	64	454	3	(434)	318
Interest expense	575	710	227	405	2	(713)	1,206
Depreciation and amortisation	4,966	45	395	878	50	(1,268)	5,066
Tax expense	2,213	-	694	259	-	(11)	3,155
Reportable segment profit after taxation	4,077	(671)	2,001	6,096	86	(6,516)	5,073
Reportable segment assets	269,441	184,118	64,495	423,527	19,694	(349,325)	611,950
Expenditure for non-current assets	2,882	-	1,205	367	24	-	4,478
Reportable segment liabilities	118,566	72,925	33,978	62,470	1,112	(78,831)	210,220

A. Notes to the financial report for the first financial quarter ended 30 September 2024

8. Segment Information (cont'd)

Period ended 30.9.2023	Manufacturing	Property Development	Pharmaceutical	Asset and Investment Management	Other Operating Segments	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customer	45,126	4,174	19,952	3,394	118		72,764
Intersegment revenue	3,375	628	3,838	9,141	2,289	(19,271)	-
Interest income	197	16	58	676	4	(658)	293
Interest expense	371	785	5	650	-	(658)	1,153
Depreciation and amortisation	2,340	21	77	843	25	-	3,306
Tax expense	1,302	-	628	309	-	(12)	2,227
Reportable segment profit after taxation	572	(161)	2,272	6,075	385	(7,879)	1,264
Reportable segment assets	252,807	185,792	39,787	495,824	10,692	(412,873)	572,029
Expenditure for non-current assets	2,041	114	10	8	-	-	2,173
Reportable segment liabilities	96,454	73,397	8,980	86,828	1,144	(89,950)	176,853

Segment information by geographical regions

The following is an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods/services:

	30.9.2024	30.9.2023
	RM'000	RM'000
Malaysia	73,787	62,695
Singapore	6,030	2,031
United States of America	6,065	5,077
Others	6,936	2,961
	92,818	72,764

Information about major customer

There was no customer who contributed more than 10% of the Group's total revenues for the period under review (30.9.2023: Nil).

A. Notes to the financial report for the first financial quarter ended 30 September 2024

9. Valuation of property, plant and equipment

The valuation of property, plant and equipment has been brought forward without any amendment from the previous annual report.

10. Subsequent events

There were no material events subsequent to the end of the reporting period that have not been reflected in the financial statements.

11. Changes in the composition of the group

There were no other major changes in the composition of the Group during the period ended 30 September 2024.

12. Contingent assets and contingent liabilities

The Group has issued corporate guarantees to financial institutions for banking facilities granted to certain subsidiaries up to a limit of RM209 million of which RM87 million has been utilized as at 30 September 2024.

13. Material related party transaction

All related party transactions within the Group had been entered into in the normal course of business and were carried out on normal commercial terms during the current quarter ended 30 September 2024.

14. Capital Commitments

Authorised capital commitments not recognised in the interim financial statement as at 30 September 2024 were as follows: -

	30.9.2024	30.9.2023
	RM'000	RM'000
Contracted but not provided for :-		
Property, Plant and Equipment	<u>1,607</u>	<u>673</u>

B. Additional information required by the Listing Requirements of Bursa Securities**1. Review of performance**

	<u>CURRENT/CUMULATIVE QUARTER</u>		Var
	Current quarter ended	Preceding year corresponding quarter	
	30.9.2024	30.9.2023	
<u>Operating Segment</u>	RM'000	RM'000	%
Revenue:-			
Manufacturing	56,590	45,126	25%
Property Development	4,040	4,174	-3%
Pharmaceutical	24,147	19,952	21%
Asset and Investment Management	7,871	3,394	132%
Other operating segments	170	118	-
	92,818	72,764	28%
Profit before tax:-			
Manufacturing	6,290	1,874	236%
Property Development	(671)	(161)	-317%
Pharmaceutical	2,695	2,900	-7%
Asset and Investment Management	6,356	6,384	0%
Other operating segments	86	384	-78%
	14,756	11,381	
Consolidation adjustments and eliminations	(6,528)	(7,890)	
	8,228	3,491	136%

Statement of Profit & Loss and Other Comprehensive Income

The Group reported revenue and profit before tax ("PBT") of RM92.8 million and RM8.23 million respectively for current quarter, an increase of 28% and 136% respectively compared to preceding year's corresponding quarter.

B. Additional information required by the Listing Requirements of Bursa Securities

1. Review of performance (cont'd)

1.1 Segmental Analysis

Manufacturing

The manufacturing division delivered a better results, revenue increased by 25% compared to preceding year's corresponding quarter while PBT improved by 236% compared to preceding year's corresponding quarter. The improvement primarily resulted from increasing sales orders, particularly within the component, aerospace, and surface treatment divisions compared to preceding year's corresponding quarter.

Property Development

The property division reported a decrease in both revenue and PBT, amounting to 3% and 317% respectively on a quarter-over-quarter basis. The decline is primarily due to a low conversion rate and lower margin from affordable product. The property market continues to face significant challenges.

Pharmaceutical & Healthcare

The pharmaceutical and healthcare products division recorded 21% increase in revenue on a quarter-over-quarter basis, reflecting strong sales momentum. However, PBT declined by 7%, primarily due to a strategic decision to adjust pricing amidst intense competition in the retail segment. This approach, while impacting short-term margins, aims to strengthen the division's market position and drive long-term growth.

Asset and Investment Management

The asset management division reported an increase of 132% in revenue while maintaining the same profit margin in PBT compared to preceding year's corresponding quarter.

The significant increase in revenue was primarily driven by the outstanding performance of the hospitality management services in Langkawi, which contributed substantially to the division's overall growth.

The investment holding division is primarily involved in generating income through dividends paid by subsidiary companies to the holding company.

B. Additional information required by the Listing Requirements of Bursa Securities**2. Comparison with preceding quarter's results**

<u>Operating Segment</u>	Current Year quarter ended 30.9.2024 RM'000	Preceding quarter ended 30.6.2024 RM'000	Var %
Revenue:-			
Manufacturing	56,590	56,627	0%
Property Development	4,040	5,945	-32%
Pharmaceutical	24,147	22,022	10%
Asset and Investment Management	7,871	4,726	67%
Other operating segments	170	246	-31%
	92,818	89,566	4%
Profit before tax:-			
Manufacturing	6,290	6,122	3%
Property Development	(671)	167	-502%
Pharmaceutical	2,695	492	448%
Asset and Investment Management	6,356	13,010	-51%
Other operating segments	86	34	153%
	14,756	19,825	
Consolidation adjustments and eliminations	(6,528)	(13,861)	
	8,228	5,964	38%

The Group's reported revenue of RM92.82 million and PBT of RM8.23 million, representing an increase of 4% in revenue and 38% in PBT as compared to Q4 FY2024.

Manufacturing

The manufacturing division's performance in Q1 FY2025 remained consistent with the results achieved in Q4 FY2024, reflecting stability in operations and sustained demand across its key segments.

Property Development

The performance of the property division experienced a decrease in the current quarter, primarily attributed to reduced sales conversion for the Langkawi project. Additionally, another affordable project is still in the early stages of construction, resulting in revenue that was insufficient to cover fixed overhead costs during this period.

B. Additional information required by the Listing Requirements of Bursa Securities

2. Comparison with preceding quarter's results (cont'd)

Pharmaceutical & Healthcare

The division achieved a 10% increase in revenue and 448% surge in PBT margin compared to Q4 FY2024. This exceptional growth was primarily driven by the strong performance of its specialized operations in the distribution of medical products and orthopedic devices.

Asset and Investment Management

The Asset Management division reported better revenue largely due to favorable business months for hotel operations.

The investment holding division is primarily involved in generating income through dividends paid by subsidiary companies to the holding company. PBT for the division primarily arises from intra-division dividend income, which will be eliminated at group level.

3. Commentary on the prospects of the Group

Manufacturing

Management anticipates that the manufacturing division will continue its gradual rebound, contributing to an increase in sales orders compared to FY2024. This improvement is expected to be primarily driven by the resurgence of demand in the global economy.

In addition to sustaining our current customer base within the E&E industry, the division plans to strategically expand into the Electronics Manufacturing Services (EMS) sector. This growth will be further supported by a comprehensive evaluation of our manufacturing operations, aimed at improving efficiency and optimizing cost structures.

Property Development

Management maintains a positive outlook for the division's performance in FY2025, supported by the expected increase in tourist arrivals, which is likely to strengthen the property markets in both Langkawi and Penang Island.

Acknowledging the rising costs of building materials and higher borrowing expenses, management is committed to closely monitoring and refining our risk management strategies. Additionally, new product launches will be carefully timed to align with market conditions, ensuring that we capitalize on emerging opportunities while mitigating potential risks.

B. Additional information required by the Listing Requirements of Bursa Securities**3. Commentary on the prospects of the Group (cont'd)****Pharmaceutical & Healthcare**

Management anticipates sustained demand for pharmaceutical and healthcare products, driven by growing health consciousness and an increasing focus on preventive care. However, concerns over the rising cost of living could present challenges to this positive outlook. To mitigate these risks, the division plans to expand its product portfolio, explore new market opportunities abroad, and maintain strict cost control measures.

While the outlook for FY 2025 remains cautiously optimistic, management acknowledges the potential difficulties arising from higher costs and the risk of a recession. The division will continue to monitor market conditions closely and adjust its strategies and operations accordingly to ensure competitiveness and long-term profitability.

4. Variance on forecast profit/profit guarantee

No profit forecast or profit guarantee was issued during the period.

5. Profit for the period

<u>Group</u>	Current/Cumulative quarter 30.9.2024 RM'000
Profit for the period is arrived at after (crediting)/charging of :-	
Depreciation of property, plant and equipment	3,943
Depreciation of right-of-use assets	893
Depreciation of investment properties	79
Amortisation of intangible assets	151
Interest expenses	1,206
Lease expenses	90
Gain on foreign exchange	(296)
Amortisation of deferred income on government grants	(8)
Loss on disposal of property, plant & equipment	8
Interest income	<u>(318)</u>

Save as disclosed above, other items as required under Appendix 9B, Part A(16) of the Bursa Listing Requirements are not applicable.

B. Additional information required by the Listing Requirements of Bursa Securities

6. Taxation

Taxation comprises the following:-

	<u>CURRENT/CUMULATIVE QUARTER</u>	
	Current Year quarter ended 30.9.2024 RM'000	Preceding year corresponding quarter 30.9.2023 RM'000
Current tax	(3,126)	(2,360)
Deferred tax	(29)	133
	<u>(3,155)</u>	<u>(2,227)</u>

The effective tax rates for the current quarter are higher than the statutory tax rate mainly due to the losses of certain subsidiaries cannot be set off against taxable profits made by other subsidiaries.

7. Status of corporate proposals

There were no other corporate proposals announced as at the date of this interim report but pending completion.

8. Status of Utilisation of Proceeds Raised from the Private Placement

The status of utilization of proceeds raised from the Private Placement during the financial period ended 30 September 24 is as follow:-

	Purpose	Proceeds from 1st Tranche (RM'000)	Actual Utilisation (1st Tranche) (RM'000)	Balance Unutilised (1st Tranche) (RM'000)	Estimated timeframe for utilisation
1	Setting up new aluminium manufacturing plant for the Group's manufacturing division	59,995	-39,257	20,738	Extended to February 2026
2	Partial repayment of bank borrowings	50,000	-50,000	0	
3	Estimated expenses in relation to the Proposed Private Placement	450	-450	0	
	Total	110,445	-89,707	20,738	

B. Additional information required by the Listing Requirements of Bursa Securities**9. Group borrowings and debts securities**

	30.9.2024	30.9.2023
	RM'000	RM'000
Secured :-		
Term loans	37,583	42,924
Revolving credit	60,497	29,787
Bank overdraft	2,566	17,020
Unsecured :-		
Revolving credit	7,786	11,242
Banker's Acceptance	7,030	4,574
	115,462	105,547
Disclosed as :-		
Current liabilities	84,106	69,612
Non-current liabilities	31,356	35,935
	115,462	105,547
Currency Profile :-		
Ringgit Malaysia	95,280	96,815
US Dollar	20,182	8,732
	115,462	105,547

Secured term loans are secured against certain freehold and leasehold land, property and plant and equipment of the Group. The effective interest rate of loans and borrowings as at 30 September 2024 ranged from 3.30% to 6.80% per annum (30.9.2023: 4.10% to 7.50%).

10. Gain and losses arising from Fair Value Changes of Financial Liabilities

There were no gain and losses arising from fair value changes of financial liabilities for current quarter.

11. Material litigation

In reference to the litigation case from the previous quarter, there was no significant pending legal matters as of the date of this interim report.

12. Dividend

The Board of Directors does not recommends any dividend for the financial quarter ended 30 September 2024 (30.9.2023 : Nil).

B. Additional information required by the Listing Requirements of Bursa Securities

13. Earnings Per Share ("EPS")

	INDIVIDUAL		CUMULATIVE PERIOD	
	Current Year quarter ended 30/9/2024 RM '000	Preceding Year Corresponding quarter 30/9/2023 RM '000	Current Year todate 30/9/2024 RM '000	Preceding Year Corresponding period 30/9/2023 RM '000
Profit attributable to ordinary equity holders of the Parent	5,311	1,528	5,311	1,528
Weighted average number of ordinary shares in issue ('000)	320,181	317,128	320,181	317,128
Basic earnings per share (sen)	1.66	0.48	1.66	0.48

Diluted earnings per share are not disclosed herein as it is not applicable to the Group.