

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024
(THE FIGURES HAVE NOT BEEN AUDITED)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2024

	Note	3 MONTHS ENDED		PERIOD ENDED	
		31/3/2024	31/3/2023	31/3/2024	31/3/2023
		RM'000	RM'000	RM'000	RM'000
Revenue		248,178	245,798	248,178	245,798
Cost of sales		(192,413)	(190,230)	(192,413)	(190,230)
Gross profit		55,765	55,568	55,765	55,568
Other income		6,021	2,254	6,021	2,254
Selling & marketing expenses		(26,563)	(26,401)	(26,563)	(26,401)
Administrative expenses		(7,874)	(5,936)	(7,874)	(5,936)
Other expenses		(415)	(267)	(415)	(267)
Operating profit		26,934	25,218	26,934	25,218
Finance costs		(116)	(160)	(116)	(160)
Share of results of associated companies		(523)	4,614	(523)	4,614
Profit before tax	A7	26,295	29,672	26,295	29,672
Income tax expense	B6	(5,086)	(5,390)	(5,086)	(5,390)
Net profit for the period		21,209	24,282	21,209	24,282
Other comprehensive income:					
Exchange differences on translation of foreign operations, net of tax		4,925	(3)	4,925	(3)
Total comprehensive income for the period		26,134	24,279	26,134	24,279
Net profit attributable to:					
Equity owners of the parent		21,209	24,282	21,209	24,282
Total comprehensive income attributable to:					
Equity owners of the parent		26,134	24,279	26,134	24,279
Earnings per share attributable to owners of the parent:		Sen	Sen	Sen	Sen
- Basic	B11	2.97	3.41	2.97	3.41
- Diluted	B11	2.96	3.40	2.96	3.40

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	As at 31/3/2024 RM'000	As at 31/12/2023 RM'000
			(Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	A12	197,241	199,234
Investment properties		9,206	9,252
Intangible assets		8,215	5,575
Right-of-use assets		6,433	6,396
Investments in associated companies		193,502	193,785
Other Investment		1,404	1,218
Deferred tax assets		1,960	1,319
		<u>417,961</u>	<u>416,779</u>
Current Assets			
Inventories		136,576	126,992
Receivables		201,364	194,423
Prepayments		3,748	1,398
Tax recoverable		47	46
Derivative financial instruments	A15 & B12	-	10
Deposits, bank and cash balances		386,019	382,969
		<u>727,754</u>	<u>705,838</u>
TOTAL ASSETS		<u>1,145,715</u>	<u>1,122,617</u>
EQUITY AND LIABILITIES			
Current Liabilities			
Payables		175,184	179,907
Borrowings	B8	2,179	3,643
Lease liabilities		969	950
Derivative financial instruments	A15 & B12	3	-
Current tax payable		8,354	6,098
		<u>186,689</u>	<u>190,598</u>
Non-Current Liabilities			
Borrowings	B8	-	-
Lease liabilities		5,993	5,938
Deferred tax liabilities		8,050	7,807
		<u>14,043</u>	<u>13,745</u>
TOTAL LIABILITIES		<u>200,732</u>	<u>204,343</u>
NET ASSETS		<u>944,983</u>	<u>918,274</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital		133,823	133,287
Reserves		27,456	22,507
Retained earnings		783,704	762,480
		<u>944,983</u>	<u>918,274</u>
TOTAL EQUITY		<u>944,983</u>	<u>918,274</u>
		RM	RM
Net Assets per share attributable to owners of the parent		<u>1.32</u>	<u>1.29</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2024

	Note	← Non-Distributable →			Distributable	Total Equity
		Share Capital	Share option reserve	Foreign currency translation reserve	Retained Earnings	
		RM'000	RM'000	RM'000	RM'000	RM'000
PERIOD ENDED 31 MARCH 2024						
Balance at 1 January 2024		133,287	1,540	20,967	762,480	918,274
Total comprehensive income		-	-	4,925	21,209	26,134
Share options granted		-	176	-	-	176
Share options lapsed		-	(15)	-	15	-
Transfer to share capital for share options exercised		137	(137)	-	-	-
Transaction with owners						
Dividends on ordinary shares	A8	-	-	-	-	-
Issuance of ordinary share pursuant to ESOS		399	-	-	-	399
Total transaction with owners		399	-	-	-	399
Balance as at 31 March 2024		133,823	1,564	25,892	783,704	944,983
PERIOD ENDED 31 MARCH 2023						
Balance at 1 January 2023		129,834	1,637	18,205	408,752	558,428
Total comprehensive income		-	-	(3)	24,282	24,279
Share options granted		-	140	-	-	140
Share options lapsed		-	(8)	-	8	-
Transfer to share capital for share options exercised		52	(52)	-	-	-
Transaction with owners						
Dividends on ordinary shares	A8	-	-	-	-	-
Issuance of ordinary share pursuant to ESOS		178	-	-	-	178
Total transaction with owners		178	-	-	-	178
Balance as at 31 March 2023		130,064	1,717	18,202	433,042	583,025

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2024

	PERIOD ENDED	
	31/3/2024	31/3/2023
	RM'000	RM'000
Operating activities		
Profit before tax	26,295	29,672
Adjustments for:		
Depreciation and amortisation	4,664	4,188
Net profit on disposal of property, plant and equipment	(127)	(78)
Share of results of associated companies	523	(4,614)
Fair value changes of derivative financial instruments	14	(32)
Share options granted	176	140
Depreciation of right-of-use assets	246	221
Lease interest expense	76	77
Inventories written off/ written down net of reversals	59	16
Impairment on receivables net of reversals	(295)	1,000
Interest expense	39	82
Interest income	(2,844)	(505)
Operating cash flows before changes in working capital	28,826	30,167
Inventories	(9,644)	(4,166)
Receivables	(8,995)	(28,438)
Payables	(4,723)	9,443
Cash generated from operations	5,464	7,006
Tax paid	(3,231)	(2,607)
Net cash flows generated from operating activities	2,233	4,399
Investing activities		
Investment in an associated company	-	(3,960)
Purchase of property, plant and equipment & intangible assets	(3,179)	(3,745)
Proceeds from disposal of property, plant and equipment	246	144
Withdrawal from/(placement in) short term deposit	896	(53)
Interest received	2,844	505
Net cash flows generated from/(used in) investing activities	807	(7,109)
Financing activities		
Proceeds from issuance of shares under ESOS	399	178
Repayment of term loans	(1,464)	(1,464)
Interest paid	(39)	(82)
Payment of lease liabilities	(286)	(288)
Net cash flows used in financing activities	(1,390)	(1,656)
Net increase/(decrease) in cash and cash equivalents	1,650	(4,366)
Cash and cash equivalents at 1 January	380,321	164,512
Effect of exchange rate changes on cash and cash equivalents	2,296	-
Cash and cash equivalents at the end of the financial period	384,267	160,146

Included in the deposits, bank and cash balances was RM 1,752,000 (31 March 2023: RM 10,012,000) placed with money market fund held for investment purposes and deposits with licensed banks with tenure more than 3 months. Both of these do not form part of cash and cash equivalents.

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024
(THE FIGURES HAVE NOT BEEN AUDITED)

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 31 MARCH 2024

A1 Basis of preparation

These unaudited condensed consolidated interim financial statements for the period ended 31 March 2024 have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These unaudited condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. It should be read in conjunction with the Group's most recent audited financial statements for the year ended 31 December 2023.

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities classified as financial assets and liabilities at fair value through profit or loss, other comprehensive income and financial assets designated as available for sale.

A2 Significant accounting policies

The significant accounting policies adopted in preparing these unaudited condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2023 except for the adoption of the following standards, wherever applicable to the Group and Company:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: Lease liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-current liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The initial application of the abovementioned standards and amendments do not have any material impacts to the current and prior periods financial statements upon their first adoption.

A3 Seasonality or cyclicity of interim operations

The Group's interim operations are not affected materially by any seasonal or cyclical factors.

A4 Unusual items

There were no unusual items that affected the assets, liabilities, equity, net income or cash flows for the period ended 31 March 2024.

A5 Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial year

There were no changes in estimates of amounts reported in the prior interim periods of the current financial year or in prior financial year.

A6 Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the first quarter ended 31 March 2024 except for the issuance of 231,500 new ordinary shares pursuant to the exercise of options under the Executive Share Options Scheme ("ESOS").

A7 Profit before tax

Included in profit before tax are the following items:

	3 MONTHS ENDED		PERIOD ENDED	
	31/3/2024	31/3/2023	31/3/2024	31/3/2023
	RM'000	RM'000	RM'000	RM'000
Interest income	2,844	505	2,844	505
Other income including investment income	1,978	1,495	1,978	1,495
Interest expense	(39)	(82)	(39)	(82)
Depreciation and amortisation	(4,664)	(4,188)	(4,664)	(4,188)
Depreciation of right-of-use assets	(246)	(221)	(246)	(221)
Impairment on receivables net of reversals	295	(1,000)	295	(1,000)
Inventories written off/ written down net of reversals	(59)	(16)	(59)	(16)
Net profit on disposal of property, plant and equipment	127	78	127	78
Fair value changes of derivative financial instruments	(14)	32	(14)	32
Foreign exchange gain	947	69	947	69

A8 Dividends paid and declared

There were no dividends paid during the current period ended 31 March 2024.

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024
(THE FIGURES HAVE NOT BEEN AUDITED)

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 31 MARCH 2024 (continued)

A9 Segment Information

The Group is organised into three main business units based on their activities, and has three reportable operating segments as follows:

- (i) Manufacturing of pharmaceutical products ("Manufacturing");
- (ii) Distribution of pharmaceutical and healthcare products ("Distribution"); and
- (iii) Corporate comprising investments, properties and others ("Corporate").

OPERATING SEGMENTS

	Manufacturing	Distribution	Corporate	Adjustments	GROUP
	RM'000	RM'000	RM'000	RM'000	RM'000
PERIOD ENDED 31/3/2024					
External Revenue	25,783	222,353	42	-	248,178
Inter-segment revenue	45,053	37	1,541	(46,631)	-
Total Revenue	70,836	222,390	1,583	(46,631)	248,178
Segment Results	19,984	8,210	(106)	(1,677)	26,411
Finance costs					(116)
Profit before tax					26,295
PERIOD ENDED 31/3/2023					
External Revenue	25,000	220,788	10	-	245,798
Inter-segment revenue	42,779	17	1,431	(44,227)	-
Total Revenue	67,779	220,805	1,441	(44,227)	245,798
Segment Results	18,802	9,970	1,866	(806)	29,832
Finance costs					(160)
Profit before tax					29,672
Segment assets					
31-Mar-2024	270,052	387,665	496,097	(8,099)	1,145,715
31-Dec-2023	260,029	367,934	502,904	(8,250)	1,122,617
Segment liabilities					
31-Mar-2024	(41,804)	(131,308)	(11,216)	(16,404)	(200,732)
31-Dec-2023	(40,415)	(125,527)	(24,496)	(13,905)	(204,343)

A10 Significant Events After the Reporting Date

There were no significant events that had arisen subsequent to the end of this current period.

A11 Changes in Group Composition

The Group did not undertake any business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinuation of operations during the current quarter ended 31 March 2024.

A12 Property, plant and equipment

During the current quarter ended 31 March 2024, the Group made an advance payment of capital expenditure of RM 0.5 million (31 March 2023: RM 3.6 million).

Asset with carrying amount of RM 119,000 was disposed by the Group during the current quarter ended 31 March 2024 (31 March 2023: RM 66,000) and resulting in a net disposal gain of RM 127,000 (31 March 2023: RM 78,000).

There was no material asset written off in the current quarter and the corresponding quarter in the previous year.

A13 Capital Commitments

Capital commitments of property, plant and equipment not provided for in the financial statements as at 31 March 2024 are as follows:

	RM'000
Authorised capital expenditure approved and contracted for	65,671
Authorised capital expenditure approved but not contracted for	31,805
	97,476

A14 Related Party Transactions

The Group did not have any significant transactions with related parties during the period ended 31 March 2024 in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2023.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024
(THE FIGURES HAVE NOT BEEN AUDITED)**

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 31 MARCH 2024 (continued)

A15 Fair value hierarchy

The Group uses the following level of fair value hierarchy for determining the fair value of its financial instruments carried at fair value.

Financial assets/(liabilities):	31/3/2024 RM'000	31/12/2023 RM'000
	(Level 2)	
Other investment	1,404	1,218
Derivatives - Forward currency contracts	(3)	10

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between the fair value hierarchy during the current interim period and financial year ended 2024 and 2023.

A16 Changes in Contingent liabilities or Contingent assets

There were no contingent liabilities or contingent assets of the Group since the end of the last annual reporting date.

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024
(THE FIGURES HAVE NOT BEEN AUDITED)
B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A
B1 Detailed Performance Analysis of Operating Segments of the Group

	Individual Period		Changes	Cumulative Period		Changes
	Current Year	Preceding Year		Current Year	Preceding Year	
	Quarter	Corresponding Quarter		To-date	To-date	
	31/3/2024	31/3/2023		31/3/2024	31/3/2023	
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue	248,178	245,798	1.0%	248,178	245,798	1.0%
Operating Profit	26,934	25,218	6.8%	26,934	25,218	6.8%
Share of results of associated companies	(523)	4,614	(111.3%)	(523)	4,614	(111.3%)
Finance Cost	(116)	(160)	(27.5%)	(116)	(160)	(27.5%)
Profit Before Tax	26,295	29,672	(11.4%)	26,295	29,672	(11.4%)
Profit After Tax	21,209	24,282	(12.7%)	21,209	24,282	(12.7%)

Review of Current Quarter Performance versus Corresponding Quarter Last Year

In Q1 2024, the Group's consolidated revenue improved slightly to RM 248.2 million, compared to RM 245.8 million in the same period last year, as market demand for pharmaceuticals, consumer healthcare products and medical devices show signs of slowing in key markets of the Group. Notably, Group revenue in Q1 2023 was the previous historic high, driven by strong demand arising from a heightened prevalence of respiratory illnesses in the community at that time. Q1 2024 operating profit from Group subsidiary companies reached RM 26.9 million, a growth of 6.8% over the RM 25.2 million achieved in Q1 2023.

In the current quarter, the Group recorded a loss of RM 0.5 million in its share of earnings from its Penang-based 40% associate, Straits Apex Group Sdn Bhd ("SAG"), in contrast to the RM 4.6 million contribution recognized in Q1 2023. This decrease is due to the Group's reduced effective equity of 16% in Next Ortho Investment Holdings Pte Ltd ("NEXT"), which is SAG's 40% associate and the ultimate parent of its wholly owned operating subsidiaries held through Straits Apex Sdn Bhd ("SA"). In addition, the Group's share of NEXT's first quarter operating expenses, comprising financing costs and amortization of intangible assets identified in the Purchase Price Allocation exercise, amounted to RM 1.7 million.

Group profit before tax for the first quarter of RM 26.3 million is 11.4% lower than the RM 29.7 million achieved in the corresponding period in 2023. This is because of the absence of profit contribution from associate company SAG. For the same reason, Group profit after tax for the quarter at RM 21.2 million is 12.7% lower than the RM 24.3 million recorded in the same period last year.

On 1st December 2023, Xepa-Soul Pattinson (Malaysia) Sdn Bhd entered into a conditional Sale and Purchase Agreement ("SPA") with Panasonic Appliances Refrigeration Devices Malaysia Sdn Bhd ("Vendor") for the acquisition of an industrial property bearing postal address 16 and 18, Jalan TTC 1, Kawasan Perindustrian Cheng, Melaka ("Cheng 2") for a total purchase consideration of RM 66.5 million. On 29th January 2024, the State Authority of Melaka approved the Vendor's application for consent to transfer, rendering the SPA unconditional. Accordingly, completion will take place on 31st July 2024 when the payment of the remaining sum of RM 59.85 million is due. This will be partially financed by a loan of RM 50 million from HSBC Bank Malaysia Berhad.

On 8th February 2024, Singapore subsidiary Apex Pharma Marketing Pte Ltd ("APS") expanded its warehousing capacity by 35% through the execution of a tenancy agreement to lease 18,500 square feet of warehousing space at 2 Loyang Way 1, Singapore 508703, a warehouse facility that is adjacent to APS' current operating premises. This will enable APS to consolidate distribution operations more efficiently and support new business growth.

B2 Material changes in the profit before tax for the quarter

	Current Quarter	Immediate Preceding Quarter	Changes	
	31/3/2024	31/12/2023	RM'000	(%)
	RM'000	RM'000	RM'000	(%)
Revenue	248,178	239,997	8,181	3.4%
Operating Profit	26,934	11,472	15,462	134.8%
Share of results of associated companies	(523)	17,286	(17,809)	(103.0%)
Finance Cost	(116)	(122)	6	(4.9%)
Profit Before Tax	26,295	28,636	(2,341)	(8.2%)
Profit After Tax	21,209	20,061	1,148	5.7%

Group profit before tax for the current quarter is RM 26.3 million, 8.2% lower than the RM 28.6 million achieved in the immediate preceding quarter. This is attributed to an absence of a profit contribution from associate company, Straits Apex Group Sdn Bhd, in the first quarter of 2024 for reasons explained.

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024
(THE FIGURES HAVE NOT BEEN AUDITED)

B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A (continued)

B3 Commentary

a Prospects

In 2024, Malaysia's economy is projected to grow by 4.7% from the 3.7% posted in 2023. However, this forecast is tempered by ongoing uncertainties stemming from the strength of the Malaysian Ringgit, elevated interest rates, higher operational expenses, and potential global economic repercussions if conflicts escalate in various regions. The Group's core pharmaceutical and consumer healthcare businesses continue to perform consistently in the first quarter of 2024, amidst indications that market demand is starting to moderate.

Share of earnings from the Group's associate company engaged in the contract manufacturing of orthopaedic devices, Straits Apex Group Sdn Bhd, is not expected to contribute meaningfully to Group earnings for the rest of 2024. This is because of the Group's reduced effective equity of 16%, along with the annual amortization expense for identified intangible assets and financing costs at NEXT as previously detailed.

With the focus sharpened on our core pharmaceutical businesses, the Group continues to invest and build upon its established foundations to foster growth. Engineering design works to build a second liquid production plant ("LPP2") and advanced pharmaceutical warehousing at Cheng 2 are underway. Two subsidiaries of the Group are currently participating in MATRADE's Mid-Tier Companies Development Program ("MTCDP") which helps high-performing Malaysian mid-tier companies accelerate their export growth and strengthen their core business functions. The newly leased warehouse space in Singapore will enable Apex Pharma Marketing Pte Ltd to operate more efficiently and accommodate new business. Together with strategic endeavors previously outlined, a poised approach will be taken to navigate the challenges and opportunities of 2024 while maintaining a steadfast focus on sustainable growth and innovation.

b Progress to achieve forecast revenue or profit estimate

Not applicable.

B4 Statement by the Board of Directors' opinion on the achievability of forecast revenue or profit estimate

Not applicable.

B5 Profit Forecast /Profit Guarantee

Not applicable.

B6 Income Tax Expense

In respect of current period:

Income tax
Deferred tax
Foreign tax

3 MONTHS ENDED		PERIOD ENDED	
31/3/2024	31/3/2023	31/3/2024	31/3/2023
RM'000	RM'000	RM'000	RM'000
4,864	4,640	4,864	4,640
(399)	140	(399)	140
621	610	621	610
<u>5,086</u>	<u>5,390</u>	<u>5,086</u>	<u>5,390</u>

The reported tax rate for Q1 2024 remained relatively stable at 19.3% compared to Q1 2023, which was 18.2%. However, the effective tax rate (excluding results from associates) decreased slightly to 19.0% in Q1 2024 from 21.5% in Q1 2023 due to the utilisation of Reinvestment Allowance and the tax deductibility of accounting accruals which were previously non tax allowable.

B7 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 8 May 2024.

B8 Group Borrowings and Debt Securities

	As at 31/3/2024		
	Long Term	Short Term	Total Borrowings
	RM'000	RM'000	RM'000
Secured			
Secured bank loans	-	2,179	2,179
	As at 31/12/2023		
	Long Term	Short Term	Total Borrowings
	RM'000	RM'000	RM'000
Secured			
Secured bank loans	-	3,643	3,643

The bank borrowings is to part finance the construction of the new oral solid dosage plant, SPP NOVO by Xepa-Soul Pattinson (Malaysia) Sdn Bhd, a wholly-owned subsidiary of the Company. The loans are denominated in Ringgit Malaysia and secured by a Corporate Guarantee provided by the Company. The weighted average interest rates are tagged to a percentage margin above one-month Effective Cost of Funds. Other than the principal repayments, there were no material changes in the amount of borrowings at the end of the current quarter compared to the end of the previous financial year ended 31 December 2023.

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024
(THE FIGURES HAVE NOT BEEN AUDITED)

B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A (continued)

B9 Material Litigation

There was no pending material litigation at the date of this report.

B10 Dividend Payable

The Board of Directors does not recommend the payment of any interim dividend for the period ended 31 March 2024 (31 March 2023: Nil).

B11 Earnings per share

The following reflect the profit and share data used in the computation of basic and diluted earnings per share:

		3 MONTHS ENDED		PERIOD ENDED	
		31/3/2024	31/3/2023	31/3/2024	31/3/2023
Basic Earnings per share					
Profit after tax	RM'000	21,209	24,282	21,209	24,282
Weighted average number of ordinary shares in issue	'000	714,546	711,519	714,546	711,519
Basic earnings per share	sen	2.97	3.41	2.97	3.41
Diluted Earnings per share					
Profit after tax	RM'000	21,209	24,282	21,209	24,282
Weighted average number of ordinary shares in issue	'000	714,546	711,519	714,546	711,519
Effect of dilution-Share options	'000	820	2,380	820	2,380
Adjusted weighted average number of ordinary shares in issue	'000	715,366	713,899	715,366	713,899
Diluted earnings per share	sen	2.96	3.40	2.96	3.40

B12 Derivative Financial Instruments

The Group is exposed to foreign currency exchange risk as a result of foreign currency transactions entered into currencies other than their functional currencies by the subsidiary companies. These companies enter into short-term forward foreign exchange contracts to manage their exposure to fluctuations in foreign currency exchange rates on specific transactions arising from trade receivables and payables.

Type of Derivatives	Contract/ Notional Value	Fair Value
	31/3/2024 RM'000	31/3/2024 RM'000
i) Forward Foreign Currency Contract entered into for the purchase of goods from foreign contract manufacturers or suppliers - Less than 1 year	(1,728)	(1,731)
	(1,728)	(1,731)

No derivative was entered into by the Company which has not been disclosed in the preceding financial year or any quarters in the current financial year. Since the end of the previous financial year or any quarters in the current financial year, there was no change in any of the information disclosed in respect of the following:

- The credit risk, market risk and liquidity risks associated with the derivatives;
- The policies in place for mitigating or controlling the risks associated with these derivatives;
- The related accounting policies.

The net cash requirements relating to these contracts was RM 1,728,000.

B13 Fair Value Changes of Financial Assets

As at 31 March 2024, the Group did not have any significant financial assets measured at fair value through profit or loss and other comprehensive income other than the disclosure in note A15.

B14 Auditors' report on preceding annual financial statements

The Auditors' report on the Group's financial statements for the year ended 31 December 2023 was not qualified.

Authorisation for issue

The interim financial statements have been approved for issue in accordance with a resolution of the Board of Directors dated 15 May 2024.