

**GE-SHEN CORPORATION BERHAD**  
(Incorporated in Malaysia)

**Interim Financial Statements**

**Fourth Quarter Results**  
**Period ended**  
**31 December 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

	Notes	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		<u>3 Months Ended 31 Dec 2023 RM'000</u>	<u>3 Months Ended 31 Dec 2022 RM'000</u>	<u>12 Months Ended 31 Dec 2023 RM'000</u>	<u>12 Months Ended 31 Dec 2022 RM'000</u>
Revenue		72,975	66,714	256,314	253,608
Other income		346	2,306	4,410	4,044
Changes in inventories of finished goods and work-in-progress		(255)	(1,103)	(2,338)	(1,447)
Raw materials used		(40,458)	(41,189)	(155,020)	(146,735)
Employee benefits		(13,178)	(12,251)	(50,346)	(54,436)
Depreciation and amortisation		(2,958)	(2,918)	(12,069)	(11,766)
Other operating expenses		(4,423)	(7,918)	(20,518)	(27,340)
Net impairment loss on financial asset		-	-	-	(137)
Finance costs		(1,922)	(1,559)	(6,248)	(5,034)
Profit before tax		10,127	2,082	14,185	10,757
Tax expenses	B6	(3,309)	988	(5,085)	(1,163)
Profit for the period		6,818	3,070	9,100	9,594
<b>Other Comprehensive Income:</b>					
Exchange differences on translating foreign operations		(235)	(687)	813	587
Total Comprehensive Income for the period		6,583	2,383	9,913	10,181
<b>Profit after tax attributable to:</b>					
Owners of the Company		5,865	3,167	8,444	10,160
Non-Controlling Interest		953	(97)	656	(566)
<b>Total Comprehensive Income attributable to:</b>		6,818	3,070	9,100	9,594
<b>Total Comprehensive Income attributable to:</b>					
Owners of the Company		5,630	2,480	9,257	10,747
Non-Controlling Interest		953	(97)	656	(566)
		6,583	2,383	9,913	10,181
<b>Earnings per share (Sen)</b>					
Basic	B14	4.82	2.88	7.40	9.24
Diluted	B14	4.82	2.88	7.40	9.08

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023**

	Notes	<u>Unaudited</u> As at 31 Dec 2023 RM'000	<u>Audited</u> As at 31 Dec 2022 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		128,673	120,388
Right-of-use assets		16,136	12,966
Goodwill		42,827	31,195
		<u>187,636</u>	<u>164,549</u>
<b>Current Assets</b>			
Inventories		49,042	38,438
Trade receivables		38,569	44,927
Other receivables, deposits and prepayments		4,416	4,642
Current tax assets		1,814	1,649
Fixed deposits with licensed banks		6,150	9,604
Cash and bank balances		22,756	11,448
		<u>122,747</u>	<u>110,708</u>
<b>Total Assets</b>		<u><u>310,383</u></u>	<u><u>275,257</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		75,960	61,855
Treasury shares		(159)	(159)
Reserves		71,226	61,978
<b>Total Equity Attributable to Owners of the Company</b>		<u>147,027</u>	<u>123,674</u>
Non-controlling interests		9,060	4,946
		<u>156,087</u>	<u>128,620</u>
<b>Non-Current Liabilities</b>			
Long-term borrowings	B10	55,170	49,181
Deferred taxation		2,511	2,374
		<u>57,681</u>	<u>51,555</u>
<b>Current Liabilities</b>			
Trade payables		22,208	25,672
Other payables and accruals		22,390	16,229
Current tax liabilities		1,864	581
Short-term borrowings	B10	39,161	38,837
Bank overdrafts		10,992	13,763
		<u>96,615</u>	<u>95,082</u>
<b>Total Liabilities</b>		<u>154,296</u>	<u>146,637</u>
<b>Total Equity and Liabilities</b>		<u><u>310,383</u></u>	<u><u>275,257</u></u>
Net Assets per Ordinary Share Attributable to Owners of the Company (RM)		1.21	1.12

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and accompanying explanatory notes attached to the interim financial statements.

**GE-SHEN CORPORATION BERHAD**  
 Company No. 200301031393 (633814-X)  
 (Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

	← Non-Distributable			→ Distributable				
	Share Capital	Treasury Shares	Employee Share Option Reserve	Foreign Exchange Translation Reserve	Retained Profits	Attributable to Owners of the Company	Non- controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 1 January 2023</b>	61,855	(159)	2,545	2,593	56,840	123,674	4,946	128,620
<b>Profit after tax for the financial period</b>	-	-	-	-	8,444	8,444	656	9,100
<b>Other comprehensive income for the financial period</b>								
- Foreign currency translation differences	-	-	-	813	-	813	-	813
<b>Total comprehensive income for the financial period</b>	-	-	-	813	8,444	9,257	656	9,913
<b>Contributions by and distributions to owners of the Company:</b>								
- Private Placement	13,530	-	-	-	-	13,530	-	13,530
- Issuance of shares under the ESOS	-	-	27	-	-	27	-	27
- Employees' share options exercised	575	-	(36)	-	-	539	-	539
- Acquisition of subsidiary	-	-	-	-	-	-	3,458	3,458
	14,105	-	(9)	-	-	14,096	3,458	17,554
<b>As at 31 December 2023</b>	75,960	(159)	2,536	3,406	65,284	147,027	9,060	156,087

**GE-SHEN CORPORATION BERHAD**  
Company No. 200301031393 (633814-X)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023 - CONTINUED**

	← Non-Distributable			Distributable →				
	Share Capital	Treasury Shares	Employee Share Option Reserve	Foreign Exchange Translation Reserve	Retained Profits	Attributable to Owners of the Company	Non- controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 1 January 2022</b>	61,855	-	2,450	2,006	46,680	112,991	5,512	118,503
<b>Profit after tax for the financial period</b>	-	-	-	-	10,160	10,160	(566)	9,594
<b>Other comprehensive income for the financial period</b>								
- Foreign currency translation differences	-	-	-	587	-	587	-	587
- Share of an associate's other comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the financial period</b>	-	-	-	587	10,160	10,747	(566)	10,181
<b>Contributions by and distributions to owners of the Company:</b>								
- Share options to employees	-	-	95	-	-	95	-	95
- Purchase of treasury shares	-	(159)	-	-	-	(159)	-	(159)
	-	(159)	95	-	-	(64)	-	(64)
<b>As at 31 December 2022</b>	61,855	(159)	2,545	2,593	56,840	123,674	4,946	128,620

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

	<b>12 Months Ended 31 Dec 2023 RM'000</b>	<b>12 Months Ended 31 Dec 2022 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	14,185	10,757
Adjustments for:		
Depreciation of property, plant and equipment	11,488	11,305
Depreciation of right-of-use asset	581	461
Property, plant and equipment written off	41	19
Interest expense on lease liabilities	31	34
Trade receivables impairment loss	-	91
Other receivables impairment loss	-	46
Other interest expense	6,217	5,000
Gain on foreign exchange - unrealised	(2,022)	(964)
Employee benefits expense	27	95
Gain on disposal of property, plant and equipment	(159)	(110)
Loss on foreign exchange - unrealised	3	598
Interest income	(349)	(147)
Inventories written down	-	446
Reversal of inventories previously written down	(3,052)	(429)
Operating profit before working capital changes	26,991	27,202
Net changes in inventories	(2,513)	9,689
Net changes in trade and other receivables	14,721	3,139
Net changes in trade and other payables	(7,509)	(7,801)
<b>CASH FLOWS FROM OPERATIONS</b>	<b>31,690</b>	<b>32,229</b>
Tax paid	(4,119)	(1,934)
Tax refunded	332	97
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>27,903</b>	<b>30,392</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Deposit paid for purchase of property, plant & equipment	-	(57)
Interest received	349	147
Proceeds from disposal of property, plant and equipment	182	116
Purchase of property, plant and equipment	(12,907)	(4,574)
Purchase of right-of-use asset	(3,580)	-
Acquisition of a subsidiary, net of cash and bank balances acquired	(13,854)	(100)
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(29,810)</b>	<b>(4,468)</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023 - CONTINUED**

	<b>12 Months Ended 31 Dec 2023 RM'000</b>	<b>12 Months Ended 31 Dec 2022 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(6,247)	(5,034)
Proceeds from issuance of shares	13,530	-
Drawdown of term loan	20,366	1,864
Repayment of term loan	(13,387)	(4,412)
Net repayments of multi currency trade loan	(2,295)	(3,268)
Net repayment of invoice financing	(1,555)	(613)
Decrease/ (Increase) in pledged of fixed deposits with licensed banks	3,454	(2,763)
Drawdown of bankers' acceptance	43,468	42,001
Repayment of bankers' acceptance	(43,268)	(43,565)
Net drawdown/ (repayment) of revolving credits	3,001	(2,454)
Net repayment of hire purchase obligations	(2,919)	(4,427)
Proceeds from exercise of employees' share options	539	-
Repayment of lease liabilities	(209)	(219)
Repurchase of treasury shares	-	(159)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>14,478</b>	<b>(23,049)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>12,571</b>	<b>2,875</b>
Effect of changes in exchange rates	1,508	977
<b>CASH AND CASH EQUIVALENT AS AT BEGINNING OF PERIOD</b>	<b>185</b>	<b>(3,667)</b>
<b>CASH AND CASH EQUIVALENT AS AT END OF PERIOD</b>	<b>14,264</b>	<b>185</b>

Cash and cash equivalents included in the cash flows statement comprise of the followings:

	<b>31 Dec 2023 RM'000</b>	<b>31 Dec 2022 RM'000</b>
Fixed deposits with licensed banks	6,150	9,604
Cash and bank balances	22,756	11,448
Less: Bank overdrafts	(10,992)	(13,763)
Less: Fixed Deposits pledged to licensed banks	(3,650)	(7,104)
	<b>14,264</b>	<b>185</b>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and accompanying explanatory notes attached to the interim financial statements.

**PART A - EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134**

**A1. Basis of Preparation**

**Statement of compliance**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market 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 31 December 2022. These 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 December 2022.

**Significant accounting policies**

- (a) The significant accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the preparation of the financial statements of the Group for the financial year ended 31 December 2022.
- (b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:

<b>MFRSs and Interpretations</b>	<b>Effective for financial periods beginning on or after</b>
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Agreements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

**A2. Seasonality or Cyclicity Factors**

The Group's operations experience certain seasonality or cyclicity that is common in the industry of which the Group operates in.

**A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

During the quarter, there were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.



**PART A - EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134 (CONTINUED)**

**A4. Change in Estimates**

There were no significant changes in estimates that have a material effect on the results for the quarter.

**A5. Issuance, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

Save for the following, there were no issuance and repayment of debts and equity securities, share buy-backs, shares cancellation, shares held as treasury shares and resale of treasury shares for the quarter under review other than the issuance of 37,500 new ordinary shares under the Company's Employees Share Option Scheme.

**A6. Dividend Paid**

There was no dividend paid during the quarter under review.

**A7. Segmental Reporting**

The Group is organised into the two main geographical segments and operating in manufacturing of plastic moulded products, metal stamping products and components. The segmental information has been presented as follows:-

**(a) By Geographical Segment**

**Current Quarter**

	<b>Malaysia &amp; Singapore</b>	<b>Vietnam</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 31 December 2023</b>				
Revenue				
- sales to external parties	65,293	7,682	-	72,975
- inter-segment sales	4,585	-	(4,585)	-
Total revenue	69,878	7,682	(4,585)	72,975
Segment results	11,557	576	(84)	12,049
Finance costs				(1,922)
Profit before taxation				10,127

**PART A - EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134 (CONTINUED)**

**A7. Segmental Reporting - continued**

**(a) By Geographical Segment - continued**

Preceding Year Corresponding Quarter	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
<b>As at 31 December 2022</b>				
Revenue				
- sales to external parties	58,262	8,452	-	66,714
- inter-segment sales	55	-	(55)	-
Total revenue	58,317	8,452	(55)	66,714
Segment results	3,196	528	(83)	3,641
Finance costs				(1,559)
Profit before taxation				2,082

**(b) By Industry Segment**

Industrial segmental information is not applicable.

**A8. Material Events Subsequent to the End of the Quarter Under Review**

There was no material event subsequent to the end of the quarter that require disclosure or adjustments to the unaudited interim financial statements.

**A9. Changes in the Composition of the Group**

There are no material changes in the composition of the Group for the current financial period ended 31 December 2023.

**A10. Changes in Contingent Liabilities or Contingent Assets**

There were no changes in the contingent liabilities or contingent assets of the Group during the quarter.

**PART A - EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134 (CONTINUED)**

**A11. Capital Commitments**

The amount of capital commitments not provided for in the interim financial statements are as follows:

	<u>Unaudited</u>	<u>Audited</u>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Approved and contracted for:</b>		
Purchase of property, plant and equipment	<u>8,510</u>	<u>893</u>

**A12. Related Party Transactions**

Significant transactions between the Company and related parties are as follows:

	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Transaction with related parties:				
Purchase of components	106	201	753	1,083
Rental of premises	-	38	76	156

**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS**

**B1. Review of Group's Results for the Quarter Ended 31 December 2023**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	3 Months Ended 31 Dec 2023 RM'000	3 Months Ended 31 Dec 2022 RM'000	Change %	12 Months Ended 31 Dec 2023 RM'000	12 Months Ended 31 Dec 2022 RM'000	Changes %
Revenue	72,975	66,714	9.4	256,314	253,608	1.1
Operating Profit	12,049	3,641	230.9	20,433	15,791	29.4
Profit Before Interest and Tax	12,049	3,641	230.9	20,433	15,791	29.4
Profit Before Tax	10,127	2,082	386.4	14,185	10,757	31.9
Profit After Tax	6,818	3,070	122.1	9,100	9,594	(5.1)
Profit Attributable to Owners of the Company	5,865	3,167	85.2	8,444	10,160	(16.9)
EBITDAF	13,691	7,186	90.5	29,654	27,202	9.0

i. Quarter Ended 31 December 2023 compared to Quarter Ended 31 December 2022

Overall sales of Q4FY2023 is higher than Q4FY2022 with the positive contribution from newly acquired subsidiary, Kibaru Manufacturing Sdn Bhd ("KMSB"). Labour cost has increased in the same corresponding quarter in line with increased in sales but the other production costs has reduced as compared to 4QFY2023. As such, overall operating profit has been increased in 4QFY2023 contributed from unrealized forex gain, reversal of provision for slow moving inventories and better cost management.

ii. Twelve Months Ended 31 December 2023 compared to Twelve Months Ended 31 December 2022

The twelve months revenue is higher by 1.1% due to contribution from KMSB. Labour cost has reduced in the attributing to the right-sizing of headcounts and overall operating profit has been improved. However, higher effective tax rate in FY2023 has caused lower profit after tax as compared to FY2022.

**B2. Variation of Results Against Preceding Quarter**

	INDIVIDUAL QUARTER		
	3 Months Ended 31 Dec 2023 RM'000	3 Months Ended 30 Sep 2023 RM'000	Changes %
Revenue	72,975	65,586	11.3
Operating Profit/(Loss)	12,049	4,304	179.9
Profit/(Loss) Before Interest and Tax	12,049	4,304	179.9
Profit/(Loss) Before Tax	10,127	2,857	254.5
Profit/(Loss) After Tax	6,818	2,205	209.2
Profit/(Loss) Attributable to Owners of the Company	5,865	2,144	173.6
EBITDAF	13,691	7,682	78.2

Overall revenue increased by 11.3% attributed to better operating environment compared to Q3FY2023 and the consolidation of KMSB effective 1 Sep 2023. Unrealised forex gain has impacted the quarter's performance, resulting in higher operating profit. EBITDAF also has increased by 78.2%, as a result of higher sales and better margin in 4QFY2023.

**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS  
(CONTINUED)**

**B3. Prospects of the Group**

Ge-Shen group ended the year 2023 relatively stable despite global challenges, especially in developed economies and China. Overall, the group's EBITDAF is on par & relatively better than that of 2022 but challenges exist within different business units of the group. There is still much needed internal cost management work to be carried out and continuous improvement program and initiatives to undertake to ensure cost does not escalate out of control while external challenges and anticipated wage inflation continues to be of concern.

The slowdown in China on another hand is causing somewhat disruption in the opportunities we get, as China continues to export deflation to the world through efficiency and productivity gains despite the wage rises in China. In simple terms - it means our pricing to customer remains a challenge.

In the mean time, a few major developed economies have announced economic data that is less encouraging and entered technical recessions in the last quarter of 2023. The consequential result may mean prolonged weak consumer and industrial demand, but on a contrarian view may also mean peak interest rates for major economies and local markets and possible cuts in the future.

The silver lining in this rather pessimistic macroeconomic environment is that this is where things may inflect, especially internally, as the Management teams work through to weather through these challenges with much ardour. A drop in interest rates will be directly beneficial in overall demands and our interest expense cost.

And this is just as business development and new product introduction (NPI) projects continues to be of focus to ensure that customers' demands are fulfilled and new product revenue continues to grow in 2024. There are several projects which are expected to be qualified and have production ramp-up this year, including new medical customers. This is in line with the Board's intention to transform into more high-tech and medical industries.

Hence, the Board is optimistic of the future of the business in the entire EMS market and believes that with a few potential acquisition opportunities which are under consideration, Ge-Shen will be able to transform into a one-stop EMS company. The Board firmly believes that drastic internal transformation and new technological advancement will be able to help Ge-Shen weather through the challenges of today. This is further assisted by the expected recovery of E&E exports in 2024 for Malaysia and the narrative of rate cuts in the near future.

The overall net gearing level of Ge-Shen has also dropped significantly over the past years from its peak in 2021 of 0.79 to 0.49 in 2023. Our asset prices have also not been revalued for years, an exercise which the Board is considering to undertake and will further strengthen our balance sheet. The improvement in gearing levels and consistent EBITDAF over the years, gives the group the much needed headroom to continue an aggressive program of mergers & acquisitions and organic growth within the group of companies.

Hence, barring any unforeseen circumstances and with the status quo not being altered while navigating a changing and dynamic environment, the Management envisages that with the continuance of our aggressive business development strategy and cost management, and we are cautiously optimistic that we will be able to weather through 2024 better than 2023.

**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS  
(CONTINUED)**

**B4. Profit Forecast**

The Group did not publish any profit forecast during the quarter.

**B5. Explanation Note on Profit Forecast**

Not Applicable.

**B6. Tax Expense**

Tax expense comprises of the followings:

	Individual Quarter Ended		Cumulative Quarter Ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
In respect of the current period :				
Income tax	2,714	101	4,496	2,260
Deferred tax	595	(1,089)	589	(1,097)
Tax expenses	<u>3,309</u>	<u>(988)</u>	<u>5,085</u>	<u>1,163</u>

**B7. Sale of Unquoted Investments, or Properties**

There was no disposal of unquoted investments, or properties during the quarter.

**B8. Purchase or Disposal of Quoted and Marketable Securities**

There was no purchase or disposal of quoted and marketable securities during the quarter.

**B9. Corporate Proposals**

The following are the corporate proposals that have been announced by the Company and completed during the quarter under review:

On 26th June 2023, Mercu Cahaya Sdn Bhd's proposed acquisition of a parcel of industrial land known as HS(M) 18597 Plot 1a Bandar Sungai Petani, Daerah Kuala Muda, Kedah with a total area measuring approximately 8903.0841 square metres ("Lease Land 1"); and a parcel of industrial land known as HS(M) 1/1976, PT, Mukim Sungai Pasir, Daerah Kuala Muda, Kedah with a total area measuring approximately 10147.5015 square metres ("Lease Land 2"), for the consideration of RM12,500,000.00. The Proposed Acquisition was completed on 12 December 2023.

**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS  
 (CONTINUED)**

**B10. Borrowings (Secured)**

The Group's borrowings, all are repayable in Ringgit Malaysia, United States Dollar and Vietnamese Dong secured, as of the end of the quarter are as follows:

	<u>Unaudited</u> 31 Dec 2023 RM'000	<u>Audited</u> 31 Dec 2022 RM'000
<b>Short term borrowings:</b>		
Bankers' acceptance	13,958	12,574
Term loans	7,724	7,227
Revolving credits	10,623	7,623
Multi currency trade loan	2,137	4,432
Invoice Financing	1,709	3,264
	<u>36,151</u>	<u>35,120</u>
<b>Long term borrowings:</b>		
Term loans	52,878	45,078
	<u>52,878</u>	<u>45,078</u>
<b>Lease liabilities:</b>		
Current liabilities	3,010	3,717
Non-Current Liabilities	2,292	4,103
	<u>5,302</u>	<u>7,820</u>
	<u>94,331</u>	<u>88,018</u>

**B11. Off Balance Sheet Financial Instrument**

There were no off balance sheet financial instruments as at the date of this report.

**B12. Material Litigation**

The directors do not have any knowledge of any material proceedings pending or threatened against the Group as the date of this report.

**B13. Dividend Proposed**

There was no dividend declared or proposed by the company for the current quarter ended 31 December 2023.

**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS  
 (CONTINUED)**

**B14. Earnings per share (Sen)**

**Basic earnings per share**

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
Profit attributable to ordinary shareholders (RM'000)	5,865	3,167	8,444	10,160
	<u>5,865</u>	<u>3,167</u>	<u>8,444</u>	<u>10,160</u>
Weighted average number of shares in issue ('000)*	121,609	109,873	114,132	109,981
	<u>121,609</u>	<u>109,873</u>	<u>114,132</u>	<u>109,981</u>
Basic EPS (Sen)	<u>4.82</u>	<u>2.88</u>	<u>7.40</u>	<u>9.24</u>

**Diluted earnings earnings per share**

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
Profit attributable to ordinary shareholders (RM'000)	5,865	3,167	8,444	10,160
	<u>5,865</u>	<u>3,167</u>	<u>8,444</u>	<u>10,160</u>
Weighted average number of shares in issue ( '000)*	121,609	109,873	114,132	109,981
	<u>121,609</u>	<u>109,873</u>	<u>114,132</u>	<u>109,981</u>
Diluted EPS (Sen)	<u>4.82</u>	<u>2.88</u>	<u>7.40</u>	<u>9.24</u>

\* The potential conversion of ESOS are anti-dilutive as the exercise price is higher than the average market price of the Company's ordinary shares during the current financial year. Accordingly, the exercise of ESOS has been ignored in the calculation of dilutive EPS.



**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS  
(CONTINUED)**

**B15. Audit Report**

The auditors' report of the company for the financial year ended 31 December 2022 was not subject to any qualification.

**B16. Notes to the Statement of Comprehensive Income**

	Individual Quarter ended		Cumulative Quarter ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after crediting:				
Interest income	(81)	(16)	(349)	(147)
Gain on foreign exchange				
- realised	(405)	(1,263)	(148)	(1,418)
- unrealised	105	33	(2,022)	(964)
Gain on disposal of property, plant and equipment	(169)	(1)	(159)	(110)
Reversal of inventories written down	(3,883)	-	(3,052)	-
and after charging:				
Depreciation and amortisation	2,958	2,918	12,069	11,766
Interest expenses	1,922	1,559	6,248	5,034
Loss on foreign exchange				
- realised	425	1,210	425	438
- unrealised	3	950	3	598
Inventories written down	-	(591)	-	446

Save as disclosed in the above, there were no gain/(loss) on disposal of quoted/unquoted investments, exceptional items, and other items required to be disclosed under the additional disclosure requirement for public listed companies that are listed on Main or Ace Markets of the Bursa Malaysia Securities Berhad.

**B17. 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 22/02/2024.