

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

**Interim Financial Statements**

**Second Quarter Results**  
**Period ended**  
**30 June 2024**

**GE-SHEN CORPORATION BERHAD**

Company No. 200301031393 (633814-X)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

	Notes	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		<u>3 Months</u> <u>Ended</u> <u>30 Jun 2024</u> <u>RM'000</u>	<u>3 Months</u> <u>Ended</u> <u>30 Jun 2023</u> <u>RM'000</u>	<u>6 Months</u> <u>Ended</u> <u>30 Jun 2024</u> <u>RM'000</u>	<u>6 Months</u> <u>Ended</u> <u>30 Jun 2023</u> <u>RM'000</u>
Revenue		75,132	60,084	148,984	117,753
Other income		3,533	1,959	6,282	4,900
Changes in inventories of finished goods and work-in-progress		(67)	(1,748)	(312)	(1,285)
Raw materials used		(48,460)	(35,326)	(95,058)	(74,825)
Employee benefits		(13,500)	(12,166)	(27,276)	(24,189)
Depreciation and amortisation		(3,140)	(2,934)	(6,371)	(5,850)
Other operating expenses		(5,826)	(5,414)	(12,170)	(12,424)
Net impairment loss on financial asset		-	-	-	-
Finance costs		(1,649)	(1,408)	(3,342)	(2,879)
Profit before tax		6,023	3,047	10,737	1,201
Tax expenses	B6	(1,000)	(902)	(2,370)	(1,124)
Profit for the period		5,023	2,145	8,367	77
<b>Other Comprehensive (Loss)/ Income:</b>					
Exchange differences on translating foreign operations		(4)	805	408	931
Total Comprehensive Income for the period		5,019	2,950	8,775	1,008
<b>Profit/(loss) after tax attributable to:</b>					
Owners of the Company		4,470	2,190	7,539	435
Non-Controlling Interest		553	(45)	828	(358)
		5,023	2,145	8,367	77
<b>Total Comprehensive Income/(Loss) attributable to:</b>					
Owners of the Company		4,466	2,995	7,947	1,366
Non-Controlling Interest		553	(45)	828	(358)
		5,019	2,950	8,775	1,008
<b>Earnings per share (Sen)</b>					
Basic	B14	3.52	1.98	6.06	0.39
Diluted	B14	3.52	1.98	6.06	0.39

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	Notes	<u>Unaudited</u> As at 30 Jun 2024 RM'000	<u>Audited</u> As at 31 Dec 2023 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		102,880	128,673
Right-of-use assets		15,898	16,136
Goodwill		40,351	42,819
		<u>159,129</u>	<u>187,628</u>
<b>Current Assets</b>			
Inventories		45,418	49,455
Trade receivables		43,902	38,569
Other receivables, deposits and prepayments		34,818	4,417
Current tax assets		1,853	1,811
Fixed deposits with licensed banks		4,464	6,150
Cash and bank balances		18,510	22,756
		<u>148,965</u>	<u>123,158</u>
<b>Total Assets</b>		<u><u>308,094</u></u>	<u><u>310,786</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		84,615	75,960
Treasury shares		-	(159)
Reserves		76,855	71,226
<b>Total Equity Attributable to Owners of the Company</b>		<u>161,470</u>	<u>147,027</u>
Non-controlling interests		5,134	9,052
		<u>166,604</u>	<u>156,079</u>
<b>Non-Current Liabilities</b>			
Long-term borrowings	B10	53,060	55,170
Deferred taxation		2,337	2,511
		<u>55,397</u>	<u>57,681</u>
<b>Current Liabilities</b>			
Trade payables		21,474	22,621
Other payables and accruals		23,787	22,391
Tax payables		2,564	1,861
Short-term borrowings	B10	29,295	39,161
Bank overdrafts		8,973	10,992
		<u>86,093</u>	<u>97,026</u>
<b>Total Liabilities</b>		<u>141,490</u>	<u>154,707</u>
<b>Total Equity and Liabilities</b>		<u><u>308,094</u></u>	<u><u>310,786</u></u>
Net Assets per Ordinary Share Attributable to Owners of the Company (RM)		1.27	1.21

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

	<b>6 Months Ended 30 Jun 2024 RM'000</b>	<b>6 Months Ended 30 Jun 2023 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	10,737	1,201
Adjustments for:		
Depreciation of property, plant and equipment	6,054	5,613
Depreciation of right-of-use asset	317	237
Other receivables written off	19	13
Interest expense on lease liabilities	5	18
Other interest expense	3,337	2,861
Loss on foreign exchange - unrealised	82	697
Property, plant and equipment written off	41	-
Inventories written down	545	241
Gain on disposal of property, plant and equipment	(1,265)	(26)
Gain on foreign exchange - unrealised	(1,529)	(2,402)
Gain on deconsolidation of subsidiary	(2,161)	-
Interest income	(221)	(171)
Operating profit before working capital changes	15,961	8,282
Net changes in inventories	(2,329)	1,436
Net changes in trade and other receivables	(41,053)	11,208
Net changes in trade and other payables	2,448	(8,803)
<b>CASH FLOWS (FOR)/FROM OPERATIONS</b>	<b>(24,973)</b>	<b>12,123</b>
Tax paid	(1,824)	(734)
Tax refunded	3	-
<b>NET CASH (FOR)/FROM OPERATING ACTIVITIES</b>	<b>(26,794)</b>	<b>11,389</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	221	171
Proceeds from disposal of property, plant and equipment	1,757	51
Purchase of property, plant and equipment	(5,106)	(515)
Purchase of right-of-use asset	-	(16)
Disposal of shares in a subsidiary	17,261	-
<b>NET CASH FROM/(FOR) INVESTING ACTIVITIES</b>	<b>14,133</b>	<b>(309)</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2024 - CONTINUED**

	<b>6 Months Ended 30 Jun 2024 RM'000</b>	<b>6 Months Ended 30 Jun 2023 RM'000</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Interest paid	(3,342)	(2,879)
Net drawdown/ (repayment) of term loan	4,601	(461)
Net (repayment)/drawdown of multi currency trade loan	(231)	906
Net repayment of invoice financing	(703)	(227)
Decrease in pledged of fixed deposits with licensed banks	1,686	3,865
Drawdown of bankers' acceptance	22,363	17,948
Repayment of bankers' acceptance	(23,431)	(21,592)
Net repayment of revolving credits	(811)	(131)
Net drawdown/(repayment) of hire purchase obligations	3,025	(1,798)
Proceeds from exercise of employees' share options	5,961	439
Resold of treasury shares	520	-
Repayment of lease liabilities	(115)	(122)
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>	<b>9,523</b>	<b>(4,052)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,138)</b>	<b>7,028</b>
Effect of changes in exchange rates	911	728
<b>CASH AND CASH EQUIVALENT AS AT BEGINNING OF PERIOD</b>	<b>11,764</b>	<b>(2,315)</b>
<b>CASH AND CASH EQUIVALENT AS AT END OF PERIOD</b>	<b>9,537</b>	<b>5,441</b>

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

	<b>30 Jun 2024 RM'000</b>	<b>30 Jun 2023 RM'000</b>
Fixed deposits with licensed banks	4,464	5,738
Cash and bank balances	18,510	17,585
Less: Bank overdrafts	(8,973)	(12,144)
Less: Fixed Deposits pledged to licensed banks	(4,464)	(5,738)
	<b>9,537</b>	<b>5,441</b>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

	← 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 2024</b>	75,960	(159)	2,535	3,406	65,285	147,027	9,052	156,079
<b>Profit after tax for the financial period</b>	-	-	-	-	7,539	7,539	828	8,367
<b>Other comprehensive income/(loss) for the financial period</b>								
- Disposal of group subsidiary	-	-	-	15	-	15	(4,746)	(4,731)
- Foreign currency translation differences	-	-	-	408	-	408	-	408
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	-	423	7,539	7,962	(3,918)	4,044
<b>Contributions by and distributions to owners of the Company:</b>								
- Employees' share options exercised	8,293	-	(2,333)	-	-	5,961	-	5,961
- Resale of treasury shares	361	159	-	-	-	520	-	520
	8,655	159	(2,333)	-	-	6,481	-	6,481
<b>As at 30 June 2024</b>	84,615	(0)	202	3,829	72,824	161,469	5,134	166,604

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2024 - 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 2023</b>	61,855	(159)	2,545	2,593	56,840	123,674	4,946	128,620
<b>Profit/(loss) after tax for the financial period</b>	-	-	-	-	435	435	(358)	77
<b>Other comprehensive income/(loss) for the financial period</b>								
- Foreign currency translation differences	-	-	-	931	-	931	-	931
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	-	931	435	1,366	(358)	1,008
<b>Contributions by and distributions to owners of the Company:</b>								
- Employees' share options exercised	470	-	(29)	-	-	441	-	441
	470	-	(29)	-	-	441	-	441
<b>As at 30 June 2023</b>	62,325	(159)	2,516	3,524	57,275	125,481	4,588	130,069

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2023. 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 2023.

**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 2023.
- (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 & MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2024

**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 (a) 146,000 new ordinary shares under the Company's Employees Share Option Scheme and (b) resold of treasury shares of 172,600.

**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 30 June 2024</b>				
Revenue				
- sales to external parties	65,162	9,970	-	75,132
- inter-segment sales	3,656	-	(3,656)	-
Total revenue	68,817	9,970	(3,656)	75,132
Segment results	7,117	1,270	(715)	7,672
Finance costs				(1,649)
Profit before taxation				6,023

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

**A7. Segmental Reporting - continued**

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

**Preceding Quarter**

	<b>Malaysia &amp; Singapore RM'000</b>	<b>Vietnam RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>As at 31 March 2024</b>				
Revenue				
- sales to external parties	66,555	7,297	-	73,852
- inter-segment sales	1,412	-	(1,412)	-
Total revenue	67,967	7,297	(1,412)	73,852
Segment results	5,477	997	(67)	6,407
Finance costs				(1,693)
Profit before taxation				4,714

**Preceding Year Corresponding Quarter**

	<b>Malaysia RM'000</b>	<b>Vietnam RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>As at 30 June 2023</b>				
Revenue				
- sales to external parties	52,059	8,025	-	60,084
- inter-segment sales	2,329	-	(2,329)	-
Total revenue	54,388	8,025	(2,329)	60,084
Segment results	3,813	712	(70)	4,455
Finance costs				(1,408)
Profit before taxation				3,047

**(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 30 June 2024.

**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> 30 Jun 2024 RM'000	<u>Audited</u> 31 Dec 2023 RM'000
<b>Approved and contracted for:</b>		
Purchase of property, plant and equipment	39,260	751

**A12. Related Party Transactions**

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

	Individual Quarter ended		Cumulative Quarter ended	
	30 Jun 2024 RM'000	30 Jun 2023 RM'000	30 Jun 2024 RM'000	30 Jun 2023 RM'000
Transaction with related parties:				
Purchase of components	-	205	57	401
Rental of premises	-	38	38	76

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

**B1. Review of Group's Results for the Quarter Ended 30 June 2024**

	<b>INDIVIDUAL QUARTER</b>			<b>CUMULATIVE QUARTER</b>		
	<b>3 Months Ended 30 Jun 2024 RM'000</b>	<b>3 Months Ended 30 Jun 2023 RM'000</b>	<b>Changes %</b>	<b>6 Months Ended 30 Jun 2024 RM'000</b>	<b>6 Months Ended 30 Jun 2023 RM'000</b>	<b>Changes %</b>
Revenue	75,132	60,084	25.0	148,984	117,753	26.5
Operating Profit	7,672	4,455	72.2	14,079	4,080	245.1
Profit Before Interest and Tax	7,672	4,455	72.2	14,079	4,080	245.1
Profit Before Tax	6,023	3,047	97.7	10,737	1,201	794.0
Profit After Tax	5,023	2,145	134.2	8,367	77	10,766.2
Profit Attributable to Owners of the Company	4,470	2,190	104.1	7,539	435	1,633.1
EBITDAF	7,980	5,860	36.2	15,961	8,281	92.7

i. Quarter Ended 30 June 2024 compared to Quarter Ended 30 June 2023

In this quarter under review, Ge-Shen performed considerably better than the previous year quarter just as revenue was higher with contributions from Penang and Vietnam factories as well as from newly acquired subsidiary in Kedah, despite lower sales from both Johor factories.

The profitability of the Group increased in line with increased in sales as a result from higher economies of scale, better cost management and right size of headcount in each of the factories as well as was strengthened by gain on deconsolidation of Demand Options Sdn Bhd ("DOSB")

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

	<b>INDIVIDUAL QUARTER</b>		
	<b>3 Months Ended 30 Jun 2024 RM'000</b>	<b>3 Months Ended 31 Mar 2024 RM'000</b>	<b>Changes %</b>
Revenue	75,132	73,852	1.7
Operating Profit	7,672	6,407	19.7
Profit Before Interest and Tax	7,672	6,407	19.7
Profit Before Tax	6,023	4,714	27.8
Profit After Tax	5,023	3,344	50.2
Profit Attributable to Owners of the Company	4,470	3,069	45.7
EBITDAF	7,980	7,981	(0.0)

Compared to the preceding quarter, revenue has continued to show a slight increase of 1.7%, or RM1.28 million. However, profitability has increased due to contribution from gain on deconsolidation of DOSB despite higher production cost in 2Q 2024.

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

**B3. Prospects of the Group**

Bank Negara Malaysia reported that the Malaysian economy grew at a higher rate of 4.2% in the first quarter of 2024 (4Q 2023: 2.9%), driven by stronger private expenditure and positive turnaround in exports. We anticipate that the second quarter of 2024 to have similar trends, just as over producer price index is seeing recovery in Q2 2024.

The impending and anticipated interest rates cuts in the US along with a strong ringgit has resulted in an appreciation of the USD from 4.7375 at the end of 1Q2024 to 4.5695 at the beginning of August 2024. This will result in margin compression as majority of our revenues are price-linked to the USD or foreign currencies. However, it is also mitigated by the fact that a lot of our raw material purchases are also linked to USD or other foreign currencies. Some analyst expect further strengthening of the ringgit, which will put further pressures on margins.

Cost inflation has also continued to creep up, just as Malaysian government has removed blanket subsidies of diesel and the impending removal of blanket subsidies for RON95 which has a wider implication of overall cost. E-invoicing will also have negative impact on cost as compliances and administrative cost will peck into our margins. Another to look out for is the minimum wage, which has yet to be announced by the Malaysian government. On the other hand our Vietnam plant has been impacted by the increase of minimum wage and also upgrade of its zone from Region 2 to Region 1, which effectively increases wage cost by 15-20%.

Notwithstanding the above challenges, Ge-Shen group is continually investing to ensure that it continues to improve in its technological and capability offerings. The renovation of the property owned by Mercuri Cahaya Sdn Bhd, is currently in final stages of renovation and will be occupied by Kibaru upon completion. It will be a modern, state of the art facility to be able to do more medical devices business. Further, Polyplas has broke ground to build a new plant on a piece of land next to its existing building. This construction is anticipate to take approximately 9 months to a year. Upon completion, the total size will increase a further 30-40% for Polyplas. Furthermore, Ge-Shen's Board has been aggressively looking to continue its acquisition of companies to boost its revenue and profitability namely via the following acquisitions which is anticipated to be completed in the 2H of 2024:

> 40% of Local Assembly Sdn Bhd

> 60% of Amity Research & Development Sdn Bhd and Amity Technical Services & Consultancy Sdn Bhd

With the inclusion of more capabilities in the EMS sector, the Board envisage that the Company can evolve, change and become a high tech company with higher margins.

**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	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	RM'000	RM'000	RM'000	RM'000
In respect of the current period :				
Income tax	1,001	904	2,373	1,128
Deferred tax	(1)	(2)	(3)	(4)
Tax expenses	<u>1,000</u>	<u>902</u>	<u>2,370</u>	<u>1,124</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 which have not yet completed as at 8 August 2024, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report:

(a) On 4 March 2024, the Company entered into a conditional share sale agreement with Chai Voon Sun, Gurmakh Singh A/L Ajmer Singh and Wee Thian Song (collectively, "Vendors") for the acquisition of 400,000 ordinary shares in Local Assembly Sdn. Bhd. ("Local Assembly") ("Local Assembly Share(s)"), representing 40% equity interest in Local Assembly ("SSA") ("Proposed Acquisition") for a total cash consideration of RM48,000,000.00. The Proposed Acquisition is expected to be completed by the second half of 2024.

(b) On 11 March 2024, the Company entered into a binding term sheet ("TS") with Har Yeow Cheong and Mok Wai Sum (collectively, "Purchasers") for the proposed disposal of 70% equity interest in the Demand Options Sdn.Bhd.("DOSB") comprising 910,000 ordinary shares ("Sale Shares") to the Purchasers for a total cash consideration of RM15,000,000.00 only ("Disposal Consideration") ("Proposed Disposal"). The Proposed Disposal is expected to be completed by the second half of 2024.

(c) On 18 March 2024, the Company entered into the non-binding term sheet with Pak Yue Leong, Tan Chung Ken, Tan Guan Lai, Tan Khay Leang, Tan Kooi Loon and Teh Sheh Chien to negotiate with detailed terms and conditions to be contained in a definitive share sale agreement in relation to the proposed acquisition of 60,000 existing ordinary shares representing 60% total equity interest in Amity Reserachn & Development Sdn. Bhd. ("ARD"); and proposed acquisition of 300,000 existing ordinary shares representing 60% total equity interest in Amity Technical Services % Consultancy (M) Sdn. Bhd. ("ATSC") (collectively "the Proposed Acquisitions") for a purchase consideration of RM13,500,000.00. The Proposed Acquisition is expected to be completed by the second half of 2024.

**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> 30 Jun 2024 RM'000	<u>Audited</u> 31 Dec 2023 RM'000
<b>Short term borrowings:</b>		
Bankers' acceptance	8,560	13,958
Term loans	5,676	7,724
Revolving credits	9,812	10,623
Multi currency trade loan	1,906	2,137
Invoice Financing	1,006	1,709
	<u>26,960</u>	<u>36,151</u>
<b>Long term borrowings:</b>		
Term loans	47,594	52,878
	<u>47,594</u>	<u>52,878</u>
<b>Lease liabilities:</b>		
Current liabilities	2,335	3,010
Non-Current Liabilities	5,466	2,292
	<u>7,801</u>	<u>5,302</u>
	<u>82,355</u>	<u>94,331</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 30 June 2024.

**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>30 Jun 2024</u>	<u>30 Jun 2023</u>	<u>30 Jun 2024</u>	<u>30 Jun 2023</u>
Profit attributable to ordinary shareholders (RM'000)	4,470	2,190	7,539	435
	<u>4,470</u>	<u>2,190</u>	<u>7,539</u>	<u>435</u>
Weighted average number of shares in issue ('000)*	127,024	110,365	124,506	110,226
	<u>127,024</u>	<u>110,365</u>	<u>124,506</u>	<u>110,226</u>
Basic EPS (Sen)	<u>3.52</u>	<u>1.98</u>	<u>6.06</u>	<u>0.39</u>

**Diluted earnings earnings per share**

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>30 Jun 2024</u>	<u>30 Jun 2023</u>	<u>30 Jun 2024</u>	<u>30 Jun 2023</u>
Profit attributable to ordinary shareholders (RM'000)	4,470	2,190	7,539	435
	<u>4,470</u>	<u>2,190</u>	<u>7,539</u>	<u>435</u>
Weighted average number of shares in issue ('000)*	127,024	110,365	124,506	110,226
	<u>127,024</u>	<u>110,365</u>	<u>124,506</u>	<u>110,226</u>
Diluted EPS (Sen)	<u>3.52</u>	<u>1.98</u>	<u>6.06</u>	<u>0.39</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 2023 was not subject to any qualification.

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

	Individual Quarter ended		Cumulative Quarter ended	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after crediting:				
Interest income	(120)	(80)	(221)	(171)
Gain on foreign exchange				
- realised	(370)	(472)	(737)	(1,665)
- unrealised	(756)	(1,229)	(1,529)	(2,401)
Gain on disposal of property, plant and equipment	(124)	(24)	(1,265)	(26)
and after charging:				
Depreciation and amortisation	3,140	2,934	6,371	5,850
Interest expenses	1,649	1,408	3,342	2,879
Loss on foreign exchange				
- realised	741	500	1,215	1,891
- unrealised	27	(4)	82	696
Inventories written down	294	203	545	241
Property, plant and equipment written off	-	-	41	-
Other receivables written off	8	-	19	-

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 8 August 2024.