



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

The figures have not been audited.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30-Sep-23 RM'000	PRECEDING YEAR QUARTER ENDED 30-Sep-22 RM'000	CURRENT YEAR QUARTER ENDED 30-Sep-23 RM'000	PRECEDING YEAR QUARTER ENDED 30-Sep-22 RM'000
Turnover	14,963	15,218	44,389	42,019
Cost of sales	(12,737)	(12,299)	(38,833)	(36,189)
<b>Gross profit</b>	<b>2,226</b>	<b>2,919</b>	<b>5,556</b>	<b>5,830</b>
Other operating income	213	157	536	429
Selling & Distribution expenses	(435)	(689)	(1,343)	(1,299)
Administrative and general expenses	(1,994)	(1,426)	(5,994)	(4,285)
<b>Results from operating activities</b>	<b>10</b>	<b>961</b>	<b>(1,244)</b>	<b>675</b>
Finance costs	(206)	(211)	(635)	(669)
<b>Profit/(Loss) before taxation</b>	<b>(196)</b>	<b>750</b>	<b>(1,880)</b>	<b>6</b>
Tax expense	(184)	(32)	(248)	(96)
<b>Profit/(Loss) after taxation</b>	<b>(380)</b>	<b>718</b>	<b>(2,128)</b>	<b>(90)</b>
Other comprehensive Income/(Loss)	-	-	-	-
<b>Total comprehensive Income/(Loss)</b>	<b>(380)</b>	<b>718</b>	<b>(2,128)</b>	<b>(90)</b>
<b>Profit / (Loss) attributable to:</b>				
Equity holders of the parent	(380)	718	(2,128)	(90)
Minority interests	-	-	-	-
	<b>(380)</b>	<b>718</b>	<b>(2,128)</b>	<b>(90)</b>
<b>Total comprehensive Income/(Loss) attributable to :</b>				
Equity holders of the parent	(380)	718	(2,128)	(90)
Minority interests	-	-	-	-
<b>Total comprehensive Income/(Loss)</b>	<b>(380)</b>	<b>718</b>	<b>(2,128)</b>	<b>(90)</b>
Basic earnings/(loss) per share (sen)	<b>(0.75)</b>	<b>1.41</b>	<b>(4.19)</b>	<b>(0.18)</b>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2022 and the accompanying explanatory notes attached to the Interim Financial Statement.*



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023**

The figures have not been audited.

	<b>As At 30 September 2023 (Unaudited) RM'000</b>	<b>As At 31 December 2022 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	16,550	16,996
Right-of-use assets	36,702	37,226
	<b>53,252</b>	<b>54,222</b>
<b>Current Assets</b>		
Inventories	8,305	9,633
Trade and other receivables	13,318	12,396
Others assets	-	377
Cash and bank balances	1,373	2,104
	<b>22,996</b>	<b>24,510</b>
<b>TOTAL ASSETS</b>	<b>76,248</b>	<b>78,732</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	44,962	44,962
Revaluation Reserve	19,274	19,274
Accumulated losses	(24,408)	(22,280)
<b>Total Equity</b>	<b>39,828</b>	<b>41,956</b>
<b>Non-Current Liabilities</b>		
Lease liability	-	43
Amount Owing To Related Parties	13,945	14,343
Hire Purchase Liabilities	422	1,382
Deferred Tax	5,959	5,959
	<b>20,326</b>	<b>21,727</b>
<b>Current Liabilities</b>		
Lease liability	49	127
Trade and other payables	9,882	8,325
Bill payable	1,819	2,079
Hire Purchase Liabilities	1,088	692
Amount Owing To Related Parties	3,400	3,803
Tax liability	(144)	23
	<b>16,094</b>	<b>15,049</b>
<b>Total Liabilities</b>	<b>36,420</b>	<b>36,776</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>76,248</b>	<b>78,732</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<b>0.78</b>	<b>0.83</b>

*The condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2022 and the accompanying explanatory notes attached to the Interim Financial Statements*



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

The figures have not been audited.

	← Attributable to equity holders of the parent →			
	Share capital RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
<b>At 1 January 2022</b>	44,962	19,781	(21,697)	43,046
Issuance of Shares				
Realisation of revaluation reserve	-	-	-	-
Net profit/(loss) for the year	-	-	(199)	(199)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income/(loss)	-	-	(199)	(199)
<b>At 30 September 2023</b>	<u>44,962</u>	<u>19,781</u>	<u>(21,896)</u>	<u>42,847</u>
<b>Balance as at 01.01.2023, as previously reported</b>	44,962	19,274	(22,280)	41,956
Realisation of revaluation reserve	-	-	-	-
Net profit/(loss) for the quarter	-	-	(2,128)	(2,128)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income/(loss)	-	-	(2,128)	(2,128)
<b>At 31 September 2023</b>	<u>44,962</u>	<u>19,274</u>	<u>(24,408)</u>	<u>39,828</u>

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2022 and the accompanying explanatory notes attached to the Interim Financial Statement.*



**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

The figures have not been audited.

	<b>CURRENT PERIOD ENDED 30-Sep-23 (Unaudited) RM'000</b>	<b>PRECEDING PERIOD ENDED 30-Sep-22 (Unaudited) RM'000</b>
(Loss) before tax	(1,880)	5
Adjustments for:		
Depreciation of property, plant and equipment	960	940
Depreciation of right-of-use assets	927	989
Gain on disposal of property, plant and equipment	-	(23)
Interest expenses	636	669
Interest income	(33)	(18)
<b>Operating profit before changes in working capital</b>	<b>610</b>	<b>2,562</b>
<b>Changes in working capital</b>		
(Increase)/Decrease in inventories	1,328	(913)
Decrease/( Increase) in trade & other receivables	(960)	(3,689)
Decrease/(Increase) in others assets	376	(33)
(Decrease)/Increase in amount owing to related parties	(1,309)	960
Decrease in trade & other payables	3,766	3,631
<b>Cash generated from operations</b>	<b>3,811</b>	<b>2,518</b>
Interest received	33	18
Interest paid	(636)	(669)
Tax paid	(378)	(93)
<b>Net cash generated from operating activities</b>	<b>2,830</b>	<b>1,774</b>
<b>Cash Flows from Investing Activities:</b>		
Purchase of property, plant & equipment	(1,023)	(2,964)
Proceed from disposal of PPE	<b>104</b>	23
<b>Net cash used in investing activities</b>	<b>(919)</b>	<b>(2,941)</b>
<b>Cash Flows from Financing Activities:</b>		
Net repayment of hire purchase instalments	(563)	76
Net repayment of bills payable	(2,079)	(359)
<b>Net cash used in financing activities</b>	<b>(2,642)</b>	<b>(283)</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>(731)</b>	<b>(1,450)</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	<b>2,104</b>	<b>2,961</b>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>1,373</b>	<b>1,511</b>
<b>Represented by:</b>		
<b>CASH AND BANK BALANCES</b>	<b>1,373</b>	<b>1,511</b>

*The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2022 and the accompanying explanatory notes attached to the Interim Financial Statements*



## **RALCO CORPORATION BERHAD [199501003907 (333101-V)]**

### **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023**

#### **A) EXPLANATORY NOTES IN COMPLIANCE TO MFRS 134 ON INTERIM FINANCIAL REPORTING**

##### **(1) Basis Of Preparation**

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 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 financial year ended 31 December 2022.

The adoption of the MFRS and Amendments do not have any material financial impact to these interim financial statements.

##### **(2) Summary Of Significant Accounting Policies**

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2022.

##### **(3) Audit Report**

There was no qualification in the auditors' report of the preceding annual financial statements for the financial year ended 31 December 2022.

##### **(4) Seasonal Or Cyclical Factors**

The business operations of the Group were not significantly affected by seasonal or cyclical factors.

##### **(5) Unusual Items Affecting Financial Statements**

There were no unusual items affecting the financial statements of the Group during the financial period under review.

##### **(6) Changes in Accounting Estimates**

There were no changes in accounting estimates for the financial period under review.

##### **(7) Issuances, Cancellations, Repurchases, Resale And Repayments Of Debt And Equity Securities**

There were no issuances, cancellations, repurchase, resale and repayment of debts and equity securities in the current financial period under review.

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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE**  
**3RD QUARTER ENDED 30 SEPTEMBER 2023**

(8) **Segmental Reporting**

<b>9 Months Ended 30.09.2023</b>	<b>Plastic Product RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b><u>REVENUE</u></b>				
External Sales	44,170	219	-	44,389
Inter-segment sales	-	2,078	(2,078)	-
Total revenue	44,170	2,297	(2,078)	44,389
<b><u>RESULT</u></b>				
Segment operating (loss)/profit	(1,342)	98	-	(1,244)
Finance cost	(607)	(28)	-	(635)
(Loss) for the financial period	(1,950)	70	-	(1,880)
Tax expense				(248)
Net loss for the financial period				(2,128)

<b>9 Months Ended 30.09.2022</b>	<b>Plastic Product RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b><u>REVENUE</u></b>				
External Sales	41,794	225	-	42,019
Inter-segment sales	-	1,689	(1,689)	-
Total revenue	41,794	1,914	(1,689)	42,019
<b><u>RESULT</u></b>				
Segment operating profit	555	120	-	675
Finance cost	(638)	(31)	-	(669)
(Loss)/profit for the financial period	(83)	79	-	6
Tax expense				(96)
Net loss for the financial period				(90)

(9) **Valuation Of Property, Plant and Equipment**

There was no revaluation of property, plant and equipment during the current financial quarter.

(10) **Material Subsequent Events**

There were no material events arose subsequent from the end of the current financial quarter up to the date of this interim financial report.

(11) **Changes In Composition Of The Group**

There were no changes the composition of the Group during the financial period under review.

**RALCO CORPORATION BERHAD** [199501003907 (333101-V)]  
**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE**  
**3RD QUARTER ENDED 30 SEPTEMBER 2023**

(12) **Capital Commitment**

The group did not have any material commitment for contracted capital expenditure which might have a material impact to the financial position of the Group except as disclosed below:

	<b>As At 30 September 2023 RM'000</b>
<b>Capital Expenditure</b>	
Approved and contracted for :	
Plant and Equipment	502
Approved and not contracted for :	
Plant and Equipment	502

(13) **Contingent Liabilities Or Contingent Assets**

There were no significant contingent liabilities or contingent assets for the Group at the end of current financial period.

(14) **Material Litigation**

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

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENT**

(1) **Performance Review**

**Performance for the financial period ended 30 September 2023 as compared with the financial period ended 30 September 2022**

	<b>Individual Quarter Ended 30 September</b>				<b>Cumulative Quarter Ended 30 September</b>			
	<b>2023</b>	<b>2022</b>	<b>Var</b>		<b>2023</b>	<b>2022</b>	<b>Var</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	14,963	15,218	(255)	-2%	44,389	42,019	2,370	6%
(Loss)/Profit Before Taxation	(196)	750	(946)	>100%	(1,880)	6	(1,886)	>100%

**Current 3rd Quarter 2023 Vs Previous 3rd Quarter 2022**

The Group's Revenue for the 3rd Quarter ended 30 September 2023 decreased by RM0.2 million or 2% as compared to the preceding period corresponding 3rd quarter ended 30 September 2022. The decrease in Revenue was mainly due to lower demand of both injection and blowing moulding products during the current period ended 30 September 2023.

With the decrease in Revenue and coupled with a higher cost of production, the Group recorded a Loss Before Taxation of RM0.2million in the current quarter as compared to a Profit Before Taxation of RM0.75million in the preceding period corresponding 3rd Quarter.

(2) **Material Changes In The Quarterly Results Compared to the Results of the Preceding Quarter**

	Individual Quarter		Variance	
	30/09/2023 RM'000	30/06/2023 RM'000	RM'000	%
Revenue	14,963	14,014	949	6.8%
Loss Before Taxation	(196)	(1,354)	(1,550)	->100%

The Group's Revenue for the current 3rd Quarter ended 30 September 2023 increased by RM0.95 million or 6.8% as compared to the preceding 2nd Quarter ended 30 June 2023. The increase in revenue was mainly due to higher demand of both injection and blowing moulding products. The performance of the Group was improved since there were sales orders increase by certain existing customers. The Group recorded a Loss Before Tax of RM0.2 million in the Current 3rd Quarter as compared to a Loss Before Taxation of RM1.35 million for the preceding 2nd Quarter ended 30 June 2023.

(3) **Prospects And Outlook**

The global economic uncertainty, rising raw material cost and stiff competition will remain the key factors that are affecting the financial performance of the Group. The shortage of factory workers has been addressed progressively and the impacts are expected to be minimized in the coming quarters.

As a management team, we remain focused on implementing strategic cost management, productivity and profitability improvement plans. We have also been developing revenue growth strategy and continue to strengthen the relationship with the key customers in order to achieve organic growth in the long run. We believe these on-going plans and efforts will improve the overall performance in the coming quarters.

(4) **Variance From Profit Forecast**

No profit forecast was issued during the financial period under review.

(5) **Taxation**

Tax comprises:

	Individual Quarter		Cumulative Quarter	
	30/09/2023 RM'000	30/09/2022 RM'000	30/09/2023 RM'000	30/09/2022 RM'000
Taxation	(184)	(32)	(248)	(96)
Deferred Tax	-	-	-	-
	(184)	(32)	(248)	(96)

The Group's effective tax rate was lower than the statutory tax rate mainly due to the availability of Group's unabsorbed tax losses, unutilized capital allowances and reinvestment allowances for set-off against future chargeable income.



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE**  
**3RD QUARTER ENDED 30 SEPTEMBER 2023**

(6) **Corporate Proposals**

There was no corporate proposal announced and not completed at the date of this announcement.

(7) **Group Borrowings And Lease Liabilities**

Total Group borrowings and lease liabilities as at 30 September 2023 are as follows:

	<b>As At</b> <b>30/09/2023</b> <b>RM'000</b>
<b>Short term borrowings</b>	
Secured:	
Bill payable	1,819
Hire purchase and lease liabilities	1,137
	<u>2,956</u>
<b>Long term borrowings</b>	
Secured:	
Hire purchase and lease liabilities	422
	<u>422</u>
<b>Total borrowings</b>	<u><u>3,378</u></u>

(8) **Dividend**

No interim dividend has been proposed by the Board of Director in the current financial period.

(9) **(Loss) / Earnings Per Share**

(a) **Basic (Loss)/Earnings Per Share**

Basic (loss)/earnings per share of the Group is calculated by dividing the net profit attributable to shareholders of the Group for the financial period over the weighted average number of ordinary shares in issue.

	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Ended 30 September</b>	<b>Ended 30 September</b>	<b>Ended 30 September</b>	<b>Ended 30 September</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(Loss)/Profit net of tax attributable to Equity Holders of the Parent</b>	(380)	718	(2,128)	(90)
Weighted average number of Ordinary Shares in issue ('000)	50,797	50,797	50,797	50,797
Basic (loss)/earnings per share (Sen)	<u>(0.75)</u>	<u>1.41</u>	<u>(4.19)</u>	<u>(0.18)</u>

(b) **Diluted Earnings Per Share**

The Group has no potential ordinary shares in issue as at the Balance Sheet date and therefore, diluted earnings per share have not been computed.

**RALCO CORPORATION BERHAD** [199501003907 (333101-V)]  
**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE**  
**3RD QUARTER ENDED 30 SEPTEMBER 2023**

(10) **Profit/(Loss) Before Taxation**

	Current Quarter Ended 30 September		Cumulative Quarter Ended 30 September	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Profit/(Loss) for the period is arrived at after crediting/(charging):</b>				
Amortisation and Depreciation	(620)	(650)	(1,887)	(1,929)
Impairment loss on receivables	-	-	-	-
Impairment loss on receivables no longer required	-	-	-	-
Interest income	14	8	33	18
Rental income	131	116	389	348
Interest expense	(197)	(234)	(636)	(669)

(11) **Derivative Financial Instruments**

There were no derivative financial instruments as at 30 September 2023.

(12) **Gains/Loss Arising From Fair Value Changes Of Financial Liabilities**

There were no material gains or losses arising from fair value changes of the financial liabilities for the current quarter and financial period ended 30 September 2023.

(13) **Authorisation For Issue Of Interim Financial Statements**

The current interim financial statements were authorized for release by the Board of Directors on 24<sup>th</sup> November 2023.

*By Order of the Board*