



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

The figures have not been audited.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31-Dec-23 RM'000	PRECEDING YEAR QUARTER ENDED 31-Dec-22 RM'000	CURRENT YEAR QUARTER ENDED 31-Dec-23 RM'000	PRECEDING YEAR QUARTER ENDED 31-Dec-22 RM'000
Turnover	15,494	14,459	59,901	56,478
Cost of sales	(14,146)	(14,426)	(54,668)	(50,615)
Gross profit	1,348	33	5,233	5,863
Other operating income	138	1,552	569	1,981
Selling & Distribution expenses	(459)	(490)	(1,801)	(1,789)
Administrative and general expenses	(1,504)	(1,800)	(5,817)	(6,085)
Results from operating activities	(477)	(705)	(1,816)	(30)
Finance costs	(208)	(229)	(844)	(898)
Profit/(Loss) before taxation	(685)	(934)	(2,660)	(928)
Tax expense	(187)	(66)	(435)	(162)
Profit/(Loss) after taxation	(872)	(1,000)	(3,095)	(1,090)
Other comprehensive Income/(Loss)	-	-	-	-
Total comprehensive Income/(Loss)	(872)	(1,000)	(3,095)	(1,090)
Profit / (Loss) attributable to:				
Equity holders of the parent	(872)	(1,000)	(3,095)	(1,090)
Minority interests	-	-	-	-
	(872)	(1,000)	(3,095)	(1,090)
Total comprehensive Income/(Loss) attributable to :				
Equity holders of the parent	(872)	(1,000)	(3,095)	(1,090)
Minority interests	-	-	-	-
Total comprehensive Income/(Loss)	(872)	(1,000)	(3,095)	(1,090)
Basic earnings/(loss) per share (sen)	(1.90)	(1.97)	(6.09)	(2.15)

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 31 DECEMBER 2023

The figures have not been audited.

	As At 31 December 2023 (Unaudited) RM'000	As At 31 December 2022 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	13,670	16,996
Right-of-use assets	44,552	37,226
	58,222	54,222
Current Assets		
Inventories	10,269	9,633
Trade and other receivables	12,650	12,396
Others assets	-	377
Cash and bank balances	1,383	2,104
	24,302	24,510
TOTAL ASSETS	82,524	78,732
EQUITY AND LIABILITIES		
Share capital	44,962	44,962
Revaluation Reserve	23,519	19,274
Accumulated losses	(25,374)	(22,280)
Total Equity	43,107	41,956
Non-Current Liabilities		
Lease liability	-	43
Amount Owing To Related Parties	14,097	14,343
Hire Purchase Liabilities	400	1,382
Deferred Tax	7,300	5,959
	21,797	21,727
Current Liabilities		
Lease liability	-	127
Trade and other payables	11,534	8,325
Bill payable	1,688	2,079
Hire Purchase Liabilities	982	692
Amount Owing To Related Parties	3,400	3,803
Tax liability	16	23
	17,620	15,049
Total Liabilities	39,417	36,776
TOTAL EQUITY AND LIABILITIES	82,524	78,732
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.85	0.83

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 31 DECEMBER 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
At 1 January 2022	44,962	19,781	(21,697)	43,046
Issuance of Shares				
Realisation of revaluation reserve	-	-	-	-
Net profit/(loss) for the year	-	(507)	(583)	(1,090)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income/(loss)	-	(507)	(583)	(1,090)
At 31 December 2022	<u>44,962</u>	<u>19,274</u>	<u>(22,280)</u>	<u>41,956</u>
Balance as at 01.01.2023, as previously reported	44,962	19,274	(22,280)	41,956
Realisation of revaluation reserve	-	-	-	-
Net profit/(loss) for the quarter	-	-	1,151	1,151
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income/(loss)	-	-	1,151	1,151
At 31 September 2023	<u>44,962</u>	<u>19,274</u>	<u>(21,129)</u>	<u>43,107</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 31 DECEMBER 2023

The figures have not been audited.

	CURRENT PERIOD ENDED 31-Dec-23 (Unaudited) RM'000	PRECEDING PERIOD ENDED 31-Dec-22 (Unaudited) RM'000
(Loss) before tax	(2,465)	(927)
Adjustments for:		
Depreciation of property, plant and equipment	1,290	1,272
Depreciation of right-of-use assets	1,213	1,317
Gain on disposal of property, plant and equipment	-	(23)
Interest expenses	843	898
Interest income	(39)	(26)
Revaluation of asset	(4,266)	-
Impairment loss on receivables no longer required	-	833
Operating profit before changes in working capital	(3,424)	3,344
Changes in working capital		
(Increase)/Decrease in inventories	(636)	636
Decrease/(Increase) in trade & other receivables	(388)	(3,368)
Decrease/(Increase) in others assets	376	737
(Decrease)/Increase in amount owing to related parties	3,088	842
Decrease in trade & other payables	5,238	2,277
Cash generated from operations	4,254	4,468
Interest received	40	25
Interest paid	(844)	(898)
Tax paid	(404)	(179)
Net cash generated from operating activities	3,046	3,416
Cash Flows from Investing Activities:		
Purchase of property, plant & equipment	(1,121)	(3,543)
Proceed from disposal of PPE	125	23
Net cash used in investing activities	(996)	(3,520)
Cash Flows from Financing Activities:		
Net repayment of hire purchase instalments	(692)	(176)
Net repayment of bills payable	(2,079)	(577)
Net cash used in financing activities	(2,771)	(753)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(721)	(857)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	2,104	2,961
CASH AND CASH EQUIVALENTS CARRIED FORWARD	1,383	2,104
Represented by:		
CASH AND BANK BALANCES	1,383	2,104
	1,383	2,104

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 4TH QUARTER ENDED 31 DECEMBER 2023

A) EXPLANATORY NOTES IN COMPLIANCE TO MRFS 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.

RALCO CORPORATION BERHAD [199501003907 (333101-V)]
NOTES TO THE INTERIM FINANCIAL REPORT FOR THE
4TH QUARTER ENDED 31 DECEMBER 2023

(8) **Segmental Reporting**

12 Months Ended 31.12.2023	Plastic Product RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>REVENUE</u>				
External Sales	59,630	271	-	59,901
Inter-segment sales	-	2,771	(2,771)	-
Total revenue	59,630	3,042	(2,771)	59,901
<u>RESULT</u>				
Segment operating (loss)/profit	(1,891)	75	-	(1,816)
Finance cost	(806)	(38)	-	(844)
(Loss) for the financial period	(2,696)	37	-	(2,660)
Tax expense				(435)
Net loss for the financial period				(3,095)

12 Months Ended 31.12.2022	Plastic Product RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>REVENUE</u>				
External Sales	56,185	293	-	56,478
Inter-segment sales	-	2,360	(2,360)	-
Total revenue	56,185	2,653	(2,360)	56,478
<u>RESULT</u>				
Segment operating loss	(177)	148	-	(29)
Finance cost	(858)	(40)	-	(898)
Loss for the financial period	(1,035)	108	-	(927)
Tax expense				(162)
Net loss for the financial period				(1,089)

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

Land and building were revalued at the end of the financial period ended 31 December 2023 based on a revaluation report prepared by an independent third-party valuer. The revaluation gave rise to a gross revaluation surplus of RM5,585,945.

(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
4TH QUARTER ENDED 31 DECEMBER 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:

	As At 31 December 2023 RM'000
Capital Expenditure	
Approved and contracted for : Plant and Equipment	642
Approved and not contracted for : Plant and Equipment	642

(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 31 December 2023 as compared with the financial period ended 31 December 2022

	Individual Quarter Ended 31 December				Cumulative Quarter Ended 31 December			
	2023 RM'000	2022 RM'000	Var RM'000	%	2023 RM'000	2022 RM'000	Var RM'000	%
Revenue	15,494	14,459	1,035	7%	59,901	56,478	3,423	6%
(Loss)/Profit Before Taxation	(685)	(934)	249	-27%	(2,660)	(928)	(1,732)	>100%

Current 4th Quarter 2023 Vs Previous 4th Quarter 2022

The Group's Revenue for the 4th Quarter ended 31 December 2023 increased by RM1.035 million or 7% as compared to the preceding period corresponding 4th quarter ended 31 December 2022. The increase in Revenue was mainly due to higher demand of both injection and blowing moulding products during the current period ended 31 December 2023.

With the increase in Revenue and coupled with a lower cost of production, the Group recorded a Loss Before Taxation of RM0.685million in the current quarter as compared to a Profit Before Taxation of RM0.934million in the preceding period corresponding 4th Quarter.

RALCO CORPORATION BERHAD [199501003907 (333101-V)]
NOTES TO THE INTERIM FINANCIAL REPORT FOR THE
4TH QUARTER ENDED 31 DECEMBER 2023

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

	Individual Quarter		Variance	
	31/12/2023 RM'000	30/09/2023 RM'000	RM'000	%
Revenue	15,494	14,981	513	3.4%
Loss Before Taxation	(685)	(196)	(489)	->100%

The Group's Revenue for the current 4th Quarter ended 31 December 2023 increased by RM0.513 million or 3.4% as compared to the preceding 3rd Quarter ended 30 September 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 some sales order increase by certain existing customers. The Group recorded a Loss Before Tax of RM0.685 million in the Current 4th Quarter as compared to a Loss Before Taxation of RM0.196 million for the preceding 3rd Quarter ended 30 September 2023.

(3) **Prospects And Outlook**

The rising raw material cost and stiff competition will remain the key challenges to strengthen the financial performance of the Group.

As a management team, we have set goals on quality, productivity and cost effectiveness in the financial year 2024. Strategies and action plans have been implemented on competitive selling price with targeted profit margin in order to improve the market share of our products. Separately, we expect overall technical level of our workforce will be upgraded significantly through recruitment programme and scheduled training.

(4) **Variance From Profit Forecast**

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

(5) **Taxation**

Tax comprises:

	Individual Quarter		Cumulative Quarter	
	31/12/2023 RM'000	31/12/2022 RM'000	31/12/2023 RM'000	31/12/2022 RM'000
Taxation	(187)	(66)	(435)	(162)
Deferred Tax	-	-	-	-
	(187)	(66)	(435)	(162)

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.

(6) **Corporate Proposals**

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

RALCO CORPORATION BERHAD [199501003907 (333101-V)]
NOTES TO THE INTERIM FINANCIAL REPORT FOR THE
4TH QUARTER ENDED 31 DECEMBER 2023

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

Total Group borrowings and lease liabilities as at 31 December 2023 are as follows:

	As At
	31/12/2023
	RM'000
Short term borrowings	
Secured:	
Bill payable	1,688
Hire purchase and lease liabilities	982
	<u>2,670</u>
Long term borrowings	
Secured:	
Hire purchase and lease liabilities	400
	<u>400</u>
Total borrowings	<u><u>3,070</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.

	Current Quarter		Cumulative Quarter	
	Ended 31 December		Ended 31 December	
	2023	2023	2023	2022
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit net of tax attributable to Equity Holders of the Parent	(872)	(1,000)	(3,095)	(1,090)
Weighted average number of Ordinary Shares in issue ('000)	50,797	50,797	50,797	50,797
Basic (loss)/earnings per share (Sen)	<u>(1.90)</u>	<u>(1.97)</u>	<u>(6.09)</u>	<u>(2.15)</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
4TH QUARTER ENDED 31 DECEMBER 2023

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

	Current Quarter Ended 31 December		Cumulative Quarter Ended 31 December	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit/(Loss) for the period is arrived at after crediting/(charging):				
Amortisation and Depreciation	(616)	(659)	(2,503)	(2,588)
Impairment loss on receivables	-	-	-	-
Impairment loss on receivables no longer required	-	-	-	-
Interest income	7	8	40	25
Rental income	132	117	521	465
Interest expense	(198)	(234)	(806)	(857)

(11) **Derivative Financial Instruments**

There were no derivative financial instruments as at 31 December 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 31 December 2023.

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

The current interim financial statements were authorized for release by the Board of Directors on 26th February 2024.

By Order of the Board