



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

The figures have not been audited.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31-Mar-24 RM'000	PRECEDING YEAR QUARTER ENDED 31-Mar-23 RM'000	CURRENT YEAR QUARTER ENDED 31-Mar-24 RM'000	PRECEDING YEAR QUARTER ENDED 31-Mar-23 RM'000
Turnover	14,462	15,412	14,462	15,412
Cost of sales	(12,895)	(13,728)	(12,895)	(13,728)
Gross profit	1,567	1,684	1,567	1,684
Other operating income	148	139	148	139
Selling & Distribution expenses	(474)	(466)	(474)	(466)
Administrative and general expenses	(1,538)	(1,463)	(1,538)	(1,463)
Results from operating activities	(297)	(106)	(297)	(106)
Finance costs	(232)	(224)	(232)	(224)
Profit/(Loss) before taxation	(529)	(330)	(529)	(330)
Tax expense	(33)	(32)	(33)	(32)
Profit/(Loss) after taxation	(562)	(362)	(562)	(362)
Other comprehensive Income/(Loss)	-	-	-	-
Total comprehensive Income/(Loss)	(562)	(362)	(562)	(362)
Profit / (Loss) attributable to:				
Equity holders of the parent	(562)	(362)	(562)	(362)
Minority interests	-	-	-	-
	(562)	(362)	(562)	(362)
Total comprehensive Income/(Loss) attributable to :				
Equity holders of the parent	(562)	(362)	(562)	(362)
Minority interests	-	-	-	-
Total comprehensive Income/(Loss)	(562)	(362)	(562)	(362)
Basic earnings/(loss) per share (sen)	(1.11)	(0.71)	(1.11)	(0.71)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2023 and the accompanying explanatory notes attached to the Interim Financial Statement.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

The figures have not been audited.

	As At 31 March 2024 (Unaudited) RM'000	As At 31 December 2023 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	14,547	58,235
Right-of-use assets	44,111	5
	58,658	58,240
Current Assets		
Inventories	10,307	10,269
Trade and other receivables	12,338	12,336
Others assets	-	-
Tax recoverable	-	69
Cash and bank balances	1,195	1,253
	23,840	23,927
TOTAL ASSETS	82,498	82,167
EQUITY AND LIABILITIES		
Share capital	44,962	44,962
Revaluation Reserve	23,519	23,519
Accumulated losses	(25,923)	(25,361)
Total Equity	42,558	43,120
Non-Current Liabilities		
Lease liability	-	-
Amount Owing To Related Parties	14,250	18,277
Hire Purchase Liabilities	513	947
Deferred Tax	7,325	7,325
	22,088	26,549
Current Liabilities		
Lease liability	1,718	5
Trade and other payables	9,961	10,469
Bill payable	-	1,562
Hire Purchase Liabilities	1,735	435
Amount Owing To Related Parties	4,450	-
Tax liability	(12)	27
	17,852	12,498
Total Liabilities	39,940	39,047
TOTAL EQUITY AND LIABILITIES	82,498	82,167
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.84	0.85

The condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2023 and the accompanying explanatory notes attached to the Interim Financial Statements



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

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 2023	44,962	19,274	(22,280)	41,956
Issuance of Shares				
Realisation of revaluation reserve	-	-	-	-
Net profit/(loss) for the year	-	4,245	(3,081)	1,164
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income/(loss)	-	4,245	(3,081)	1,164
At 31 December 2023	<u>44,962</u>	<u>23,519</u>	<u>(25,361)</u>	<u>43,120</u>
Balance as at 01.01.2024, as previously reported	44,962	23,519	(25,361)	43,120
Realisation of revaluation reserve	-	-	-	-
Net profit/(loss) for the quarter	-	-	(562)	(562)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income/(loss)	-	-	(562)	(562)
At 31 March 2024	<u>44,962</u>	<u>23,519</u>	<u>(25,923)</u>	<u>42,558</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 2023 and the accompanying explanatory notes attached to the Interim Financial Statement.



CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024

The figures have not been audited.

	CURRENT PERIOD ENDED 31-Mar-24 (Unaudited) RM'000	PRECEDING PERIOD ENDED 31-Dec-23 (Audited) RM'000
(Loss) before tax	(529)	(2,647)
Adjustments for:		
Depreciation of property, plant and equipment	333	2,542
Depreciation of right-of-use assets	321	60
Loss from derecognition of lease liabilities		(100)
Loss from derecognition of right-of-use		93
Impairment loss on receivables	-	95
Interest expenses	232	847
Interest income	(8)	(39)
Revaluation of asset	25	-
Reversal of inventories written down in previous financial year	-	(231)
Operating profit before changes in working capital	374	620
Changes in working capital		
(Increase)/Decrease in inventories	(37)	(406)
Decrease/(Increase) in trade & other receivables	312	216
Decrease/(Increase) in others assets	-	87
(Decrease)/Increase in amount owing to related parties	1,203	131
Decrease in trade & other payables	(1,401)	2,145
Cash generated from operations	451	2,793
Interest received	8	39
Interest paid	(232)	(847)
Tax refund	-	-
Tax paid	(60)	(434)
Net cash generated from operating activities	167	1,551
Cash Flows from Investing Activities:		
Purchase of property, plant & equipment	(1,091)	(1,128)
Proceed from disposal of PPE	-	-
Net cash used in investing activities	(1,091)	(1,128)
Cash Flows from Financing Activities:		
Net repayment of hire purchase instalments	866	(692)
Net repayment of bills payable	-	(582)
Net cash used in financing activities	866	(1,274)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(58)	(851)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	1,253	2,104
CASH AND CASH EQUIVALENTS CARRIED FORWARD	1,195	1,253
Represented by:		
CASH AND BANK BALANCES	1,195	1,253
	1,195	1,253

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2023 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 1ST QUARTER ENDED 31 MARCH 2024

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 March 2024. 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 March 2024.

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 March 2024.

(3) Audit Report

There was no qualification in the auditors' report of the preceding annual financial statements for the financial year ended 31 March 2024.

(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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(8) **Segmental Reporting**

3 Months Ended 31.03.2024	Plastic Product RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>REVENUE</u>				
External Sales	14,403	59	-	14,462
Inter-segment sales	-	693	(693)	-
Total revenue	14,403	752	(693)	14,462
<u>RESULT</u>				
Segment operating (loss)/profit	(322)	24	-	(298)
Finance cost	(222)	(10)	-	(232)
(Loss) for the financial period	(544)	14	-	(530)
Tax expense				(32)
Net loss for the financial period				(562)

3 Months Ended 31.03.2023	Plastic Product RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>REVENUE</u>				
External Sales	15,339	73	-	15,412
Inter-segment sales	-	688	(688)	-
Total revenue	15,339	761	(688)	15,412
<u>RESULT</u>				
Segment operating loss	(125)	19	-	(106)
Finance cost	(214)	(10)	-	(224)
Loss for the financial period	(339)	9	-	(330)
Tax expense				(32)
Net loss for the financial period				(362)

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

There was 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.

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(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 March 2024 RM'000
Capital Expenditure	
Approved and contracted for :	
Plant and Equipment	640
Approved and not contracted for :	
Plant and Equipment	640

(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 March 2024 as compared with the financial period ended 31 March 2023

	Individual Quarter Ended 31 March				Cumulative Quarter Ended 31 March			
	2024 RM'000	2023 RM'000	Var RM'000	%	2024 RM'000	2023 RM'000	Var RM'000	%
Revenue	14,462	15,412	(950)	-6%	14,462	15,412	(950)	-6%
(Loss)/Profit Before Taxation	(529)	(330)	(199)	-60%	(529)	(330)	(199)	-60%

Current 1st Quarter 2024 Vs Previous 1st Quarter 2023

The Group's Revenue for the 1st quarter ended 31 March 2024 decreased by RM0.95 million or 6% as compared to the preceding period corresponding 1st quarter ended 31 March 2023. The decrease in Revenue was mainly due to lower demand of both injection and blowing moulding products during the current period ended 31 March 2024.

With the decrease in Revenue and coupled with a higher cost of production, the Group recorded a Loss Before Taxation of RM0.529million in the current quarter as compared to a Profit Before Taxation of RM0.33million in the preceding period corresponding 1st quarter.

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

	Individual Quarter		Variance	
	31/03/2024 RM'000	31/12/2023 RM'000	RM'000	%
Revenue	14,462	15,494	(1,032)	-6.7%
Loss Before Taxation	(529)	(767)	238	31.0%

The Group's Revenue for the current 1st quarter ended 31 March 2024 decreased by RM1.032 million or 6.7% as compared to the preceding 4th quarter ended 31 December 2023. The decrease in revenue was mainly due to lower demand of both injection and blowing moulding products. The performance of the Group was deteriorated since there were some sales order decrease by certain existing customers. The Group recorded a Loss Before Tax of RM0.529 million in the Current 1st quarter as compared to a Loss Before Taxation of RM0.685 million for the preceding 4th quarter ended 31 December 2023.

(3) **Prospects And Outlook**

The global economic uncertainty, raw material cost, operation cost and stiff competition will remain the key factors that impact our Group's performance.

As a management team, we remain focused on strategic cost management, increase productivity.

On a positive note, overall demand by customers remains strong and is largely expected to improve in the coming quarter. Mass production for the new key customers are expected to further increase our group's revenue.

(4) **Variance From Profit Forecast**

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

(5) **Taxation**

Tax comprises:

	Individual Quarter		Cumulative Quarter	
	31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
Taxation	(33)	(32)	(33)	(32)
Deferred Tax	-	-	-	-
	(33)	(32)	(33)	(32)

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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(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 31 March 2024 are as follows:

	As At 31/03/2024 RM'000
Short term borrowings	
Secured:	
Bill payable	-
Hire purchase and lease liabilities	3,453
	<u>3,453</u>
Long term borrowings	
Secured:	
Hire purchase and lease liabilities	513
	<u>513</u>
Total borrowings	<u><u>3,966</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 Ended 31 March		Cumulative Quarter Ended 31 March	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Loss)/Profit net of tax attributable to Equity Holders of the Parent	(562)	(362)	(562)	(362)
Weighted average number of Ordinary Shares in issue ('000)	50,797	50,797	50,797	50,797
Basic (loss)/earnings per share (Sen)	<u>(1.11)</u>	<u>(0.71)</u>	<u>(1.11)</u>	<u>(0.71)</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.

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

	Current Quarter Ended 31 March		Cumulative Quarter Ended 31 March	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(Loss) for the period is arrived at after crediting/(charging):				
Amortisation and Depreciation	(654)	(633)	(654)	(633)
Impairment loss on receivables	-	-	-	-
Impairment loss on receivables no longer required	-	-	-	-
Interest income	8	12	8	12
Rental income	140	126	140	126
Interest expense	(222)	(209)	(222)	(209)

(11) **Derivative Financial Instruments**

There were no derivative financial instruments as at 31 March 2024.

(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 March 2024.

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

The current interim financial statements were authorized for release by the Board of Directors on 24th May 2024.

By Order of the Board