

# **PANSAR BERHAD** [Registration No. 197401002551 (18904-M)]

INTERIM FINANCIAL STATEMENTS  
FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2024

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**PANSAR BERHAD** [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30.06.2024 RM'000	Preceding year corresponding quarter 30.06.2023 RM'000	Current year to date 30.06.2024 RM'000	Preceding year corresponding year to date 30.06.2023 RM'000
Revenue	244,392	269,211	244,392	269,211
Cost of sales	(217,484)	(242,587)	(217,484)	(242,587)
<b>Gross profit</b>	26,908	26,624	26,908	26,624
Other income	2,947	1,703	2,947	1,703
Selling and distribution expenses	(3,037)	(2,796)	(3,037)	(2,796)
Administrative expenses	(12,948)	(15,186)	(12,948)	(15,186)
Other operating expenses	(123)	(352)	(123)	(352)
Finance costs	(2,805)	(2,885)	(2,805)	(2,885)
Net impairment (losses)/gains on financial assets and contract assets	(2,221)	797	(2,221)	797
Share of results in jointly controlled entities	7	14	7	14
Share of results in an associate	349	1,058	349	1,058
<b>Profit before taxation</b>	9,077	8,977	9,077	8,977
Income tax expense	(2,195)	(2,063)	(2,195)	(2,063)
<b>Profit after taxation</b>	6,882	6,914	6,882	6,914
Other comprehensive income				
<u>Items that will be reclassified subsequently to profit or loss</u>				
Cash flow hedge	(888)	(18)	(888)	(18)
Foreign currency translation	(198)	713	(198)	713
<b>Total other comprehensive income</b>	(1,086)	695	(1,086)	695
<b>Total comprehensive income for the period</b>	5,796	7,609	5,796	7,609

**PANSAR BERHAD** [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2024 (CONT'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30.06.2024 RM'000	Preceding year corresponding quarter 30.06.2023 RM'000	Current year to date 30.06.2024 RM'000	Preceding year corresponding year to date 30.06.2023 RM'000
<b>Profit after taxation attributable to:-</b>				
- Owners of the Company	6,882	6,891	6,882	6,891
- Non-controlling interests	-	23	-	23
	6,882	6,914	6,882	6,914
<b>Total comprehensive income attributable to:-</b>				
- Owners of the Company	5,796	7,586	5,796	7,586
- Non-controlling interests	-	23	-	23
	5,796	7,609	5,796	7,609
<b>Weighted average number of shares in issue ('000)</b>	494,002	464,546	494,002	464,546
<b>Earnings per ordinary share (sen):-</b>				
-Basic	1.39	1.48	1.39	1.48
-Diluted	0.99	0.99	0.99	0.99

The condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.

**PANSAR BERHAD** [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AT 30 JUNE 2024

	<b>30.06.2024</b>	<b>31.03.2024</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in an associate	5,816	5,467
Investment in jointly controlled entities	1,335	1,328
Property, plant and equipment	48,649	40,254
Investment properties	9,077	9,123
Intangible assets	13,751	14,330
Other investments	9,970	9,823
Deferred tax assets	4,615	4,195
Goodwill	52,743	52,743
Trade receivables	5,878	6,977
	<hr/>	<hr/>
	151,834	144,240
	<hr/>	<hr/>
<b>Current assets</b>		
Inventories	72,465	69,364
Trade and other receivables	315,579	303,355
Contract assets	197,939	188,853
Short term investments	11,059	10,967
Derivative assets	138	34
Current tax assets	1,205	848
Deposits, cash and bank balances	19,533	25,592
	<hr/>	<hr/>
	617,918	599,013
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>769,752</b>	<b>743,253</b>
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**PANSAR BERHAD** [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AT 30 JUNE 2024 (CONT'D)

	30.06.2024	31.03.2024
	RM'000	RM'000
	(Unaudited)	(Audited)
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	176,587	156,379
Treasury shares	(2,313)	(2,313)
Redeemable convertible preference shares	101,335	121,543
Reserves	56,485	50,689
<b>Total equity</b>	<b>332,094</b>	<b>326,298</b>
<b>Non-current liabilities</b>		
Borrowings	20,136	14,460
Deferred tax liabilities	3,984	4,025
	24,120	18,485
<b>Current liabilities</b>		
Trade and other payables	138,892	140,782
Contract liabilities	7,707	4,604
Derivative liabilities	543	210
Borrowings:-		
- bank overdrafts	15,649	3,631
- other borrowings	242,150	241,766
Provision for employee benefits	6,176	5,641
Current tax liabilities	2,421	1,836
	413,538	398,470
<b>Total liabilities</b>	<b>437,658</b>	<b>416,955</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>769,752</b>	<b>743,253</b>
<b>Net assets per ordinary share attributable to owners of the Company (RM)</b>	<b>0.66</b>	<b>0.70</b>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.

# PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR TO DATE ENDED 30 JUNE 2024

3-month period ended	Share Capital RM'000	Treasury Shares RM'000	Redeemable Convertible Preference Shares RM'000	< ----- Non-distributable ----- >			< distributable >		Non- Controlling Interests RM'000	Total Equity RM'000
				Reverse Acquisition Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Cash Flow Hedge Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000		
Balance at 01.04.2024	156,379	(2,313)	121,543	(116,732)	7,110	(181)	160,492	326,298	-	326,298
Profit after taxation for the period	-	-	-	-	-	-	6,882	6,882	-	6,882
Other comprehensive income for the period, net of tax:-										
- Foreign currency translation	-	-	-	-	(198)	-	-	(198)	-	(198)
- Cash flow hedge	-	-	-	-	-	(888)	-	(888)	-	(888)
Total comprehensive income for the period	-	-	-	-	(198)	(888)	6,882	5,796	-	5,796
Conversion of redeemable convertible preference shares	20,208	-	(20,208)	-	-	-	-	-	-	-
Balance at 30.06.2024	176,587	(2,313)	101,335	(116,732)	6,912	(1,069)	167,374	332,094	-	332,094

**PANSAR BERHAD** [Registration No. 197401002551 (18904-M)]

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR TO DATE ENDED 30 JUNE 2024 (CONT'D)

3-month period ended	Share Capital RM'000	Treasury Shares RM'000	Redeemable Convertible Preference Shares RM'000	< ----- Non-distributable ----- >			< distributable >		Non- Controlling Interests RM'000	Total Equity RM'000
				Reverse Acquisition Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Cash Flow Hedge Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000		
Balance at 01.04.2023	154,991	(2,313)	121,543	(116,732)	6,082	21	145,160	308,752	674	309,426
Profit after taxation for the period	-	-	-	-	-	-	6,891	6,891	23	6,914
Other comprehensive income for the period, net of tax:-										
- Foreign currency translation	-	-	-	-	713	-	-	713	-	713
- Cash flow hedge	-	-	-	-	-	(18)	-	(18)	-	(18)
Total comprehensive income for the period	-	-	-	-	713	(18)	6,891	7,586	23	7,609
Contributions by and distributions to owners of the Company:-										
- Exercise of warrants	1,388	-	-	-	-	-	-	1,388	-	1,388
Total transactions with owners	1,388	-	-	-	-	-	-	1,388	-	1,388
Balance at 30.06.2023	156,379	(2,313)	121,543	(116,732)	6,795	3	152,051	317,726	697	318,423

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.

**PANSAR BERHAD** [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR TO DATE ENDED 30 JUNE 2024

	<b>Current year to date 30.06.2024 RM'000</b>	<b>Preceding year Corresponding year to date 30.06.2023 RM'000</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit before taxation	9,077	8,977
<b>Adjustments for:-</b>		
Allowance for impairment losses on receivables	2,741	898
Allowance for impairment losses on receivables no longer required	(520)	(1,426)
Allowance for impairment losses on contract assets no longer required	-	(269)
Allowance for slow-moving inventories	123	352
Allowance for slow-moving inventories no longer required	(507)	(148)
Amortisation of intangible assets	590	1,807
Bad debts written off	5	-
Depreciation of property, plant and equipment	2,789	3,016
Depreciation of investment properties	47	43
Fair value gain on derivatives	-	(10)
Fair value (gain)/loss on other investments	(147)	257
(Gain)/loss on disposal of property, plant and equipment	(263)	2
Gain on derecognition of leases	(9)	(71)
Impairment losses on intangible assets no longer required	-	(287)
Interest expense	2,805	2,885
Interest income	(121)	(99)
Provision for employee benefits	537	1,408
Share of results in jointly controlled entities	(7)	(14)
Share of results in an associate	(349)	(1,058)
Unrealised (gain)/loss on foreign exchange	(241)	155
Operating profit before working capital changes	16,550	16,418
Increase in inventories	(2,739)	(5,510)
Net increase in contract assets	(5,983)	(13,165)
Increase in trade and other receivables	(15,484)	(33,352)
(Decrease)/increase in trade and other payables	(319)	21,688
Employee benefits paid	-	(95)
<b>CASH FOR OPERATIONS</b>	(7,975)	(14,016)
Interest paid	(2,328)	(2,437)
Interest received	119	95
Income tax paid	(2,382)	(1,296)
<b>NET CASH FOR OPERATING ACTIVITIES</b>	(12,566)	(17,654)



**PANSAR BERHAD** [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR TO DATE ENDED 30 JUNE 2024 (CONT'D)

	Current year to date 30.06.2024 RM'000	Preceding year Corresponding year to date 30.06.2023 RM'000
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>		
Dividend received from jointly controlled entities and associate	-	2,400
Proceeds from disposal of property, plant and equipment	386	5
Purchase of intangible assets	(13)	-
Purchase of investment properties	-	(174)
Purchase of property, plant and equipment	(1,563)	(253)
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(1,190)	1,978
<b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>		
Decrease/(increase) in pledged deposits with licensed bank	282	(2)
Interest paid on long-term borrowings	(477)	(447)
Net of drawdown/(repayment) of bankers' acceptance	9,512	10,611
Net of (repayment)/drawdown of invoice financing	(9,480)	18,046
Net of (repayment)/drawdown of revolving credit	(1,000)	(3,500)
Proceeds from exercise of warrants	-	1,388
Repayment of hire purchase liabilities	(445)	(593)
Repayment of lease liabilities	(759)	(895)
Repayment of term loans	(1,500)	(1,500)
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(3,867)	23,108
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(17,623)	7,432
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	(80)	159
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	32,646	6,098
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	14,943	13,689
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Cash and bank balances	19,533	20,294
Bank overdrafts	(15,649)	(16,051)
Short-term investments	11,059	9,446
	14,943	13,689

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.

# PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2024

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### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

#### A1 Basis of preparation

The unaudited interim financial statements have been prepared in accordance with *MFRS 134: Interim Financial Reporting* issued by Malaysian Accounting Standards Board, *IAS 34: Interim Financial Reporting* issued by International Accounting Standards Board 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 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 the financial year ended 31 March 2024.

The significant accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2024, except as follows:

On 1 April 2024, the Group adopted the following Amendments to MFRSs mandatory for annual financial periods beginning on or after 1 January 2024:-

- Amendments to *MFRS 16: Lease Liability in a Sale and Leaseback*
- Amendment to *MFRS 101: Classification of Liabilities as Current or Non-current*
- Amendments to *MFRS 101: Non-current Liabilities with Covenants*
- Amendments to *MFRS 107 and MFRS 7: Supplier Finance Arrangements*

The adoption of the abovementioned MFRSs, Amendments to MFRSs and IC Interpretations (including the consequential amendments) did not have any material impact on the financial statements of the Group.

#### A2 Comments about seasonality or cyclical of operations

The business of the Group is not subject to seasonal or cyclical fluctuations.

#### A3 Unusual items due to their nature, size and incidence

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows due to their nature, size or incidence during the current quarter under review.

#### A4 Changes in estimates

There were no changes in the estimates that have had a material effect in the current quarter under review.

#### A5 Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities for the current quarter under review except as disclosed below:-

During the quarter under review, a total of 35,251,900 RCPS were converted into ordinary shares. As at 30 June 2024, the number of ordinary shares stood at 504,940,075. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares.

#### A6 Dividend paid

There was no dividend paid by the Company during the quarter under review.

# PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2024

## PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

### A7 Segmental information

The following is an analysis of the Group's revenue and results by reportable segments:-

#### (a) Business segments

	Marine & Industrial RM'000	Building & Construction Materials RM'000	Agro Engineering RM'000	Electrical & Air Conditioning RM'000	Heavy Equipment RM'000	Mechanical & Electrical RM'000	Construction & Infrastructure RM'000	Year to date 30.06.2024 RM'000
<b>Revenue</b>								
External revenue	55,597	44,174	9,258	11,856	5,644	15,727	102,136	244,392
Inter-segment revenue	20	4,105	-	189	3,125	61	-	7,500
	55,617	48,279	9,258	12,045	8,769	15,788	102,136	251,892
Adjustments and eliminations								(7,500)
Consolidated revenue								244,392
<b>Results</b>								
Segment results	8,847	1,196	863	1,080	482	683	2,717	15,868
Adjustments and eliminations	-	-	-	-	185	533	-	718
	8,847	1,196	863	1,080	667	1,216	2,717	16,586
Share of results in jointly controlled entities								7
Share of results in an associate								349
Unallocated income								318
Unallocated expenses								(8,183)
Consolidated profit before taxation								9,077

# PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2024

## PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

### A7 Segmental information (cont'd)

#### (a) Business segments (cont'd)

	Marine & Industrial RM'000	Building & Construction Materials RM'000	Agro Engineering RM'000	Electrical & Air Conditioning RM'000	Heavy Equipment RM'000	Mechanical & Electrical RM'000	Construction & Infrastructure RM'000	Year to Date 30.06.2024 RM'000
<b>Assets</b>								
Segment assets	86,941	76,247	18,236	21,750	21,934	60,897	371,695	657,700
Investment in an associate								5,816
Investment in jointly controlled entities								1,335
Goodwill								52,743
Unallocated assets								47,543
Deferred tax assets								4,615
Consolidated total assets								<u>769,752</u>

# PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2024

## PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont’d)

### A7 Segmental information

The following is an analysis of the Group’s revenue and results by reportable segments:-

#### (a) Business segments

	Marine & Industrial RM’000	Building & Construction Materials RM’000	Agro Engineering RM’000	Electrical & Air Conditioning RM’000	Heavy Equipment RM’000	Mechanical & Electrical RM’000	Construction & Infrastructure RM’000	Year to date 30.06.2023 RM’000
<b>Revenue</b>								
External revenue	41,794	62,355	12,267	9,226	6,227	32,539	104,803	269,211
Inter-segment revenue	115	1,854	-	379	9,028	2,790	-	14,166
	41,909	64,209	12,267	9,605	15,255	35,329	104,803	283,377
Adjustments and eliminations								(14,166)
Consolidated revenue								269,211
<b>Results</b>								
Segment results	7,213	1,701	599	1,039	289	2,860	2,917	16,618
Adjustments and eliminations	-	-	-	-	183	407	-	590
	7,213	1,701	599	1,039	472	3,267	2,917	17,208
Share of results in jointly controlled entities								14
Share of results in an associate								1,058
Unallocated income								412
Unallocated expenses								(9,715)
Consolidated profit before taxation								8,977

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NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2024

## PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

### A7 Segmental information (cont'd)

#### (a) Business segments (cont'd)

	Marine & Industrial RM'000	Building & Construction Materials RM'000	Agro Engineering RM'000	Electrical & Air Conditioning RM'000	Heavy Equipment RM'000	Mechanical & Electrical RM'000	Construction & Infrastructure RM'000	Year to date 30.06.2023 RM'000
<b>Assets</b>								
Segment assets	67,592	82,886	18,474	17,176	21,476	77,609	361,035	646,248
Investment in an associate								5,389
Investment in jointly controlled entities								1,487
Goodwill								53,138
Unallocated assets								51,900
Deferred tax assets								4,737
Consolidated total assets								762,899

#### (b) Geographical segments

	Year to date	
	30.06.2024 RM'000	30.06.2023 RM'000
Total revenue from external customers		
- Malaysia	241,058	264,920
- Singapore	3,334	4,291
	244,392	269,211

# PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2024

### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

#### A8 Property, plant and equipment

##### (a) Acquisition and disposal of property, plant and equipment

There was no material acquisition or disposal of property, plant and equipment since the end of last financial year.

##### (b) Impairment losses

Neither loss from impairment of property, plant and equipment nor reversal of such impairment losses was recognised since the end of last financial year.

##### (c) Valuation

As at 30 June 2024, the Group did not have any revalued assets.

#### A9 Subsequent events

There were no material subsequent events as at 16 August 2024.

#### A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the period ended 30 June 2024.

#### A11 Contingent liabilities

As at 16 August 2024, there were no material contingent liabilities or contingent assets which, upon being enforceable, might have a material impact on the financial position or business of the Group.

#### A12 Capital commitment

The capital commitments of the Group as at 30 June 2024 were as follows:

	<b>RM'000</b>
Purchase of property, plant and equipment	122

#### A13 Significant related party transactions

	Quarterly ended		Year to date	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	535	547	535	547
Transactions with other related parties	8,889	11,224	8,889	11,224

# PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2024

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### **PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

#### **B1 Review of performance**

For the period ended 30 June 2024, the Group registered revenue of RM244.4 million, a decrease of 9.2% or RM24.8 million compared to RM269.2 million reported in the previous corresponding period.

Despite an overall decrease in revenue of RM24.8 million, the Group maintained a stable net profit of RM6.9 million for the financial period ended 30 June 2024, consistent with RM6.9 million reported in the previous corresponding period.

#### Marine & Industrial Segment

##### Quarterly results

Compared to the corresponding quarter of previous year, Marine and Industrial segment posted a 33.0% increase in revenue to RM55.6 million in 1QFY25 on higher sales from marine engines and spare parts.

With the increase in revenue, operating profit for the quarter rose 22.7% to RM8.8 million from RM7.2 million a year earlier.

#### Building & Construction Materials Segment

##### Quarterly results

For the quarter under review, the segment's revenue decreased by 29.2% to RM44.2 million from RM62.4 million a year ago, primarily due to lower sales performance in infrastructure construction materials. Operating profit for the quarter slipped 29.7% y-o-y to RM1.2 million on the back of lower revenue and higher impairment losses on trade receivables.

#### Agro Engineering Segment

##### Quarterly results

For 1QFY25, Agro Engineering segment's revenue on y-o-y basis came in 24.5% lower to RM9.3 million largely due to lower fertilizer sales. However, operating profit for the quarter increased by 44.1% year-on-year to RM0.9 million due to a favourable product mix.

#### Electrical & Air Conditioning Segment

##### Quarterly results

Revenue increased 28.5% to RM11.9 million in 1QFY25 from RM9.2 million in the previous corresponding quarter. However, operating profit only increased slightly by 4.0% to RM1.1 million due to higher operating expenses.

#### Heavy Equipment Segment

##### Quarterly results

Heavy Equipment segment achieved revenue and operating profit for the current quarter of RM5.6 million and RM0.7 million respectively. This represents a 9.4% decrease in revenue and a 41.3% increase in operating profit, primarily due to income arising from the write back of impairment loss on inventory.



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## PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

### B1 Review of performance (Cont'd)

#### Mechanical & Electrical Segment

##### Quarterly results

Revenue for Mechanical & Electrical segment decreased by 51.7% from RM32.5 million in 1QFY24 to RM15.7 million in 1QFY25 as one of the major projects neared completion, resulting in lower revenue compared to the same quarter last year.

Operating profit on y-o-y perspective decreased 62.8% to RM1.2 million, due to lower revenue and the absence of net impairment gains on financial assets.

#### Construction & Infrastructure Segment

##### Quarterly results

Revenue for Construction & Infrastructure segment declined 2.5% from RM104.8 million in 1QFY24 to RM102.1 million in 1QFY25 due to lower work progress during the quarter.

In tandem with the decrease in revenue, the segment registered a 6.9% decrease in operating profit to RM2.7 million in 1QFY25, compared to RM2.9 million in 1QFY24.

### B2 Material changes in profit before tax for the quarter

For the current quarter under review, the Group recorded profit before tax of 9.1 million on the back of revenue of RM244.4 million, compared to profit before tax of RM1.5 million and revenue of RM227.8 million in the immediate preceding quarter. This improvement was driven largely by higher gross profit, increased other operating income, lower overall operating expenses, and a higher share of profit from associate.

### B3 Commentary on prospects

The Malaysian economy grew by 5.9% in Q2 2024, faster than the 4.2% growth in Q1. Economic activities particularly in the marine and industrial segment continued, while several government infrastructure projects are coming up particularly in Sarawak. Ringgit appreciated against the dollar which is positive for us. We are focused on delivering our projects on time and on cost, and collecting on time.

### B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was announced.

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## PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

### B5 Income tax expense

	Quarter ended		Year to date	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Income tax:-				
- Malaysian tax	2,608	2,397	2,608	2,397
- Foreign tax	1	-	1	-
	<u>2,609</u>	<u>2,397</u>	<u>2,609</u>	<u>2,397</u>
Deferred tax:-				
- Origination and reversal of temporary differences	(414)	(334)	(414)	(334)
	<u>(414)</u>	<u>(334)</u>	<u>(414)</u>	<u>(334)</u>
	<u>2,195</u>	<u>2,063</u>	<u>2,195</u>	<u>2,063</u>

### B6 Corporate proposals

As at 16 August 2024, there were no corporate proposals announced.

### B7 Borrowings

The Group's borrowings as at 30 June 2024 were as follows:-

	Total RM'000
<b>Long-term borrowings:-</b>	
Hire purchase liabilities, secured	3,614
Lease liabilities	11,022
Term loans, secured	5,500
	<u>20,136</u>
<b>Short-term borrowings:-</b>	
Bank overdrafts, secured	10,469
Bank overdrafts, unsecured	5,180
Bankers' acceptance, secured	33,100
Bankers' acceptance, unsecured	18,127
Hire purchase liabilities, secured	2,345
Invoice financing, unsecured	54,404
Lease liabilities	3,174
Revolving credit, secured	6,000
Revolving credit, unsecured	119,000
Term loans, secured	6,000
	<u>257,799</u>
<b>Total borrowings</b>	<u>277,935</u>

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## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2024

### PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

#### B8 Derivative financial instruments

The outstanding foreign currency forward contracts as at 30 June 2024 were as follows:-

	<b>Contract / notional amount RM'000</b>	<b>Assets RM'000</b>	<b>Liabilities RM'000</b>
<u>Derivative designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	21,767	138	(543)
	21,767	138	(543)

The Group enters into foreign currency forward contracts to hedge against the Group's exposure to foreign currency risks as a result of purchases denominated in currencies other than its functional currency for which firm commitments existed at the end of the reporting period.

There were no cash requirements for these derivatives and they are not subject to significant credit risk, market risk and liquidity risk.

In line with the Group's foreign currency hedging policy, hedging is only considered for firm commitments. These derivatives and their underlying exposures will be monitored on an on-going basis.

With respect to derivatives not designated as hedging instruments, they are stated at fair value, with any gains/losses arising on remeasurement recognised in profit or loss. These fair value changes are attributable to changes in foreign exchange spot and forward rates.

For those derivatives designated as hedging instruments (cash flow hedge), the effective portion of changes in fair value of those derivatives is recognised in other comprehensive income. The gain or loss in relation to ineffective portion is recognised immediately in profit or loss.

#### B9 Loss arising from fair value changes in financial liabilities

	<b>Current quarter Loss RM'000</b>	<b>Year to date loss RM'000</b>
Foreign currency forward contracts	(333)	(333)

#### B10 Changes in material litigation

As at 16 August 2024, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware and has no knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group.

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## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2024

### PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

#### B11 Dividend payable

No interim dividend has been declared for the financial period ended 30 June 2024.

#### B12 Earnings per share

##### (a) Basic earnings per share

	Quarter ended		Year to date	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	6,882	6,891	6,882	6,891
Weight average number of ordinary shares in issue ('000)	494,002	464,546	494,002	464,546
Basic earnings per share based on weighted average number of shares in issue (sen)	1.39	1.48	1.39	1.48

##### (b) Diluted earnings per share

	Quarter ended		Year to date	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	6,882	6,891	6,882	6,891
Weight average number of ordinary shares in issue ('000)	694,991	693,872	694,991	693,872
Basic earnings per share based on weighted average number of shares issue (sen)	0.99	0.99	0.99	0.99

#### B13 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the Company and its subsidiaries for the financial year ended 31 March 2024 was not subject to any qualification.

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## PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

### B14 Profit for the year

Profit before taxation is arrived at after charging / (crediting):-

	Quarter ended		Year to date	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Allowance for slow-moving inventories	123	352	123	352
Allowance for slow-moving inventories no longer required	(507)	(148)	(507)	(148)
Bad debts written off	5	-	5	-
Collective impairment losses on receivables	2,392	805	2,392	805
Collective impairment losses on receivables no longer required	(190)	(571)	(190)	(571)
Depreciation and amortisation	3,426	4,866	3,426	4,866
Fair value (gain)/loss on other investments	(147)	257	(147)	257
Fair value gain on short-term investments	(73)	(71)	(73)	(71)
Impairment losses on intangible assets no longer required	-	(287)	-	(287)
Impairment losses on contract assets no longer required	-	(269)	-	(269)
Individual impairment losses on receivables	349	93	349	93
Individual impairment losses on receivables no longer required	(330)	(855)	(330)	(855)
Interest expense	2,805	2,885	2,805	2,885
Interest income	(121)	(99)	(121)	(99)
Loss on forward foreign currency contracts	-	12	-	12
Gain on derecognition of leases	(9)	(71)	(9)	(71)
(Gain)/loss on disposal of property, plant and equipment	(263)	2	(263)	2
Realised (gain)/loss on foreign exchange	(351)	439	(351)	439
Realised loss on derivatives	12	26	12	26
Unrealised (gain)/loss on foreign exchange	(241)	155	(241)	155
Unrealised gain on derivatives	-	(10)	-	(10)