



LION POSIM BERHAD

Registration No. 198201002310 (82056-X)

(Incorporated in Malaysia)

Interim Financial Report for the First Quarter Ended

31 March 2024

Condensed Consolidated Statement of Profit or Loss	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5
Notes to the Condensed Consolidated Financial Statements	6 - 12

LION POSIM BERHAD
Registration No. 198201002310 (82056-X)
(Incorporated in Malaysia)

Interim financial report for the first quarter ended 31 March 2024
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER			YEAR-TO-DATE ENDED		
		31.3.2024 RM'000	31.3.2023 RM'000	Change %	31.3.2024 RM'000	31.3.2023 RM'000	Change %
Revenue		184,495	201,434	-8	184,495	201,434	-8
Operating expenses		(183,950)	(200,830)		(183,950)	(200,830)	
Other operating income		3,207	1,865		3,207	1,865	
Profit from operations		3,752	2,469	52	3,752	2,469	52
Finance costs		(535)	(255)		(535)	(255)	
Share of results of associated companies		77	(152)		77	(152)	
Profit before tax	23	3,294	2,062	60	3,294	2,062	60
Income tax expense	16	(943)	(960)		(943)	(960)	
Profit for the period		2,351	1,102	>100	2,351	1,102	>100
Profit attributable to:							
- Owners of the Company		2,351	1,102		2,351	1,102	
- Non-controlling interests		-	-		-	-	
Profit for the period		2,351	1,102		2,351	1,102	
Earnings per share attributable to owners of the Company (sen) :	21						
- Basic		1.03	0.48		1.03	0.48	
- Diluted		1.03	0.48		1.03	0.48	

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

LION POSIM BERHAD
Registration No. 198201002310 (82056-X)
(Incorporated in Malaysia)

Interim financial report for the first quarter ended 31 March 2024
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		YEAR-TO-DATE ENDED	
	31.3.2024 RM'000	31.3.2023 RM'000	31.3.2024 RM'000	31.3.2023 RM'000
Profit for the period	2,351	1,102	2,351	1,102
<u>Other comprehensive income/(loss)</u>				
<u>Item that will not be reclassified subsequently to profit or loss</u>				
Net loss on other investments at fair value through other comprehensive income:				
- Fair value changes	(1,960)	-	(1,960)	-
<u>Item that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation differences arising from foreign operations	2,815	5,794	2,815	5,794
Other comprehensive income for the period	855	5,794	855	5,794
Total comprehensive income for the period	3,206	6,896	3,206	6,896
Total comprehensive income attributable to:				
- Owners of the Company	3,206	6,896	3,206	6,896
- Non-controlling interests	-	-	-	-
	3,206	6,896	3,206	6,896

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 the accompanying explanatory notes attached to the interim financial statements.

LION POSIM BERHAD

Registration No. 198201002310 (82056-X)

(Incorporated in Malaysia)

Interim financial report for the first quarter ended 31 March 2024

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	AS AT 31.3.2024 RM'000	AS AT 31.12.2023 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		38,089	38,486
Right-of-use assets		7,294	7,870
Investment properties		121,682	118,564
Investment in associated companies		28,978	29,228
Other investments		14,726	16,686
Amount owing by other related company		99,551	99,551
Deferred tax assets		9,212	9,212
Total Non-Current Assets		319,532	319,597
Current Assets			
Inventories		22,543	23,443
Trade receivables		273,550	285,898
Other receivables and prepayments		85,703	78,659
Amount owing by immediate holding company		70,453	70,648
Amount owing by other related companies		87,690	88,973
Tax recoverable		1,185	2,473
Investment in money market funds		2,384	2,362
Fixed deposits, cash and bank balances		74,367	69,385
Total Current Assets		617,875	621,841
Total Assets		937,407	941,438
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		920,902	920,902
Reserves		(155,567)	(158,773)
Equity attributable to owners of the Company		765,335	762,129
Non-controlling interests		-	-
Total Equity		765,335	762,129
Non-Current and Deferred Liabilities			
Lease liabilities		6,105	6,442
Deferred tax liabilities		357	357
Total Non-Current and Deferred Liabilities		6,462	6,799
Current Liabilities			
Trade payables		50,322	54,272
Other payables and accrued expenses		49,007	49,809
Contract liabilities		27,329	29,628
Amount owing to other related companies		1,983	1,441
Lease liabilities		1,930	2,076
Bank borrowings	17	34,796	35,280
Tax liabilities		243	4
Total Current Liabilities		165,610	172,510
Total Liabilities		172,072	179,309
Total Equity and Liabilities		937,407	941,438
Net assets per share attributable to owners of the Company (RM)		3.36	3.35

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 the accompanying explanatory notes attached to the interim financial statements.

LION POSIM BERHAD
Registration No. 198201002310 (82056-X)
(Incorporated in Malaysia)

Interim financial report for the first quarter ended 31 March 2024
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Non-distributable reserves →				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Accumulated losses RM'000			
<u>31 March 2024</u>							
At 1 January 2024	920,902	(2,277)	50,533	(207,029)	762,129	-	762,129
Total comprehensive income for the period	-	-	855	2,351	3,206	-	3,206
At 31 March 2024	920,902	(2,277)	51,388	(204,678)	765,335	-	765,335
<u>31 March 2023</u>							
At 1 January 2023	920,902	(2,277)	42,619	(220,582)	740,662	43	740,705
Total comprehensive income for the period	-	-	5,794	1,102	6,896	-	6,896
At 31 March 2023	920,902	(2,277)	48,413	(219,480)	747,558	43	747,601

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 the accompanying explanatory notes attached to the interim financial statements.

LION POSIM BERHAD

Registration No. 198201002310 (82056-X)

(Incorporated in Malaysia)

Interim financial report for the first quarter ended 31 March 2024

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	YEAR-TO-DATE ENDED	
		31.3.2024 RM'000	31.3.2023 RM'000
OPERATING ACTIVITIES			
Profit before tax		3,294	2,062
Adjustments for:			
Non-cash items		2,494	2,484
Non-operating items		(95)	(318)
Operating profit before changes in working capital		5,693	4,228
Changes in working capital:			
Net changes in current assets		6,104	(34,319)
Net changes in current liabilities		(7,486)	(13,026)
Others		1,043	(700)
		5,354	(43,817)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(45)	(204)
Proceeds from disposal of property, plant and equipment		104	19
Increase in investment in money market funds		(22)	(20)
Interest received		172	193
		209	(12)
FINANCING ACTIVITIES			
(Decrease)/Increase in bank borrowings		(484)	13,462
Increase in amount owing to other related companies		542	202
Increase in cash at banks held under fixed deposits pledged		(367)	(395)
Others		(1,019)	(569)
		(1,328)	12,700
Net changes in cash and cash equivalents		4,235	(31,129)
Effect of exchange differences		380	458
Cash and cash equivalents at beginning of the period		42,949	56,224
Cash and cash equivalents at end of the period	18	47,564	25,553

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 the accompanying explanatory notes attached to the interim financial statements.

LION POSIM BERHAD

Registration No. 198201002310 (82056-X)

(Incorporated in Malaysia)

Interim financial report for the first quarter ended 31 March 2024

(The figures have not been audited)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting policies and methods of computation

The condensed consolidated financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated 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 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.

The significant accounting policies adopted in the condensed consolidated financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2023 except for the adoption of the following amendments to MFRSs effective for the financial period beginning 1 January 2024:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liability 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 amendments to MFRSs does not have material impact on the financial position and/or financial performance of the Group in the period of initial application.

2. Comments about seasonal or cyclical factors

The Group's performance is not affected by any material seasonal or cyclical factors.

3. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial year-to-date, other than as disclosed in the Interim Financial Report.

4. Changes in estimates

There were no changes in estimates that have had a material effect in the results for the current quarter and financial year-to-date results.

5. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date.

The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016. As at 31 March 2024, the number of treasury shares held were 3,745,000 shares.

6. Dividend paid

There were no dividends paid during the current quarter and financial year-to-date.

7. Segmental information

The Group's segmental information for the financial year-to-date:

	Building materials and steel products	Lubricants, petroleum products and automotive products	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External customers	157,113	26,890	492	-	184,495
Inter-segment sales	-	-	5	(5)	-
Total revenue	157,113	26,890	497	(5)	184,495
Results					
Segment results	1,329	3,955	(1,532)	-	3,752
Finance costs	(365)	(120)	(50)	-	(535)
Share of results of associated companies					77
Profit before tax					3,294
Income tax expense					(943)
Profit for the period					2,351
Assets					
Segment assets	525,735	86,062	184,904	-	796,701
Investment in associated companies					28,978
Unallocated corporate assets					111,728
					937,407
The analysis of the Group's assets by geographical areas is as follows:					
Malaysia	525,735	86,062	145,779	-	757,576
People's Republic of China	-	-	28,810	-	28,810
Others	-	-	151,021	-	151,021
					937,407

8. Subsequent events

There were no material events subsequent to the end of the current quarter.

9. Changes in composition of the Group

There were no material changes in the composition of the Group during the current quarter and financial year-to-date.

10. Changes in contingent liabilities and contingent assets

There were no material changes in contingent liabilities or contingent assets since 31 December 2023.

11. Performance review

	3 MONTHS ENDED			YEAR-TO-DATE ENDED		
	31.3.2024 RM'000	31.3.2023 RM'000	Change %	31.3.2024 RM'000	31.3.2023 RM'000	Change %
Revenue						
Building materials and steel products ("Building Materials")	157,113	174,986	-10	157,113	174,986	-10
Lubricants, petroleum products and automotive products ("Lubricants")	26,890	26,027	3	26,890	26,027	3
Others	492	421	17	492	421	17
	184,495	201,434	-8	184,495	201,434	-8
Segment results						
Building Materials	1,329	583	>100	1,329	583	>100
Lubricants	3,955	3,838	3	3,955	3,838	3
Others	(1,532)	(1,952)	22	(1,532)	(1,952)	22
Profit from operations	3,752	2,469	52	3,752	2,469	52
Finance costs	(535)	(255)		(535)	(255)	
Share of results of associated companies	77	(152)		77	(152)	
Profit before tax	3,294	2,062	60	3,294	2,062	60

For the 3 months ended 31 March 2024, the Group reported a lower revenue of RM184.5 million, representing an 8% decrease compared to the same quarter last year, mainly due to the reduced contribution from the Building Materials Division. Despite the decline in revenue, with the continuous efforts in optimising operating efficiencies and cost control measures, profit from operations of the Group of RM3.8 million was RM1.3 million higher than the last year's same quarter. Included in this quarter's profit was a RM2.0 million insurance claim by the Lubricants Division.

After accounting for the finance costs and a share of profit in associated companies, the Group recorded a higher profit before tax of RM3.3 million for the quarter under review. The Group's net assets per share as at 31 March 2024 was RM3.36.

Building Materials

For the quarter under review, the Division recorded a revenue of RM157.1 million, a decrease of 10% from that of the same quarter last year, mainly due to the lower sales of steel products and building materials. However, through continuous efforts to optimise operating efficiencies, the Division managed to achieve a higher profit of RM1.3 million.

Lubricants

The Division's revenue improved by 3% to RM26.9 million compared to the same quarter last year, primarily driven by the increase in sales of lubricants. During the current quarter, the Division recovered RM2.0 million (2023: RM0.9 million) from the insurance claim for losses caused by the floods in December 2021. Consequently, the Division recorded a profit of RM4.0 million this quarter.

Others

Results of the Others Division were mainly derived from the provision of training services, distribution and retailing of consumer products, investment in Cambodia and investment holding. For the 3 months ended 31 March 2024, these activities collectively contributed to a higher revenue of RM0.5 million, with a reduction in operating loss.

12. Material changes in the results for the current quarter compared with the immediate preceding quarter

	Current Year Quarter	Immediate Preceding Quarter	Change
	31.3.2024	31.12.2023	
	RM'000	RM'000	%
Revenue	184,495	203,581	-9
Profit from operations	3,752	4,761	-21
Profit before tax	3,294	13,588	-76

For the first quarter of the financial year 2024, the Group reported a revenue of RM184.5 million, marking a 9% decrease compared to fourth quarter of 2023. Profit from operations contracted by 21% to RM3.8 million, primarily due to the lower profit from the Building Materials Division.

After accounting for a lower share of profit in associated companies of RM0.1 million (Last quarter: RM0.8 million), the Group's profit before tax for the quarter under review stood at RM3.3 million, compared to RM5.0 million in the last quarter (excluding the one-off gain of RM8.6 million from the striking-off of a subsidiary company).

13. a) Prospects

The Group is mindful that the overall economic condition is still filled with challenges that would affect the operating environment of the Group's businesses. To mitigate these challenges, the Group will remain vigilant, strengthening its business resilience to mitigate potential disruptions to its operations. Additionally, the Group will continue to focus on optimising operational efficiencies and containing costs.

b) Forecast or target previously announced

The disclosure requirements are not applicable for the current quarter and financial year-to-date.

14. Statement of the Board of Directors' opinion on achievement of forecast or target

The disclosure requirements are not applicable for the current quarter and financial year-to-date.

15. Profit forecast or profit guarantee

No profit forecast or profit guarantee was published.

16. Income tax expense

	INDIVIDUAL QUARTER		YEAR-TO-DATE ENDED	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
Estimated tax payable				
- Current provision	(943)	(960)	(943)	(960)

After excluding the results of associated companies, the effective tax rate of the Group for the current quarter and year-to-date were higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

17. Borrowings

The Group's borrowings as at end of the reporting period were as follows :

	AS AT 31.3.2024	AS AT 31.3.2023
	RM'000	RM'000
Non-Current		
Hire-purchase payables - secured	-	58
Current		
Hire-purchase payables - secured	-	15
Revolving credit - secured	4,000	3,500
Bankers acceptances - secured	6,000	7,000
Bankers acceptances - unsecured	1,065	-
Receivables financing facility - secured	23,731	21,596
	34,796	32,096
	<u>34,796</u>	<u>32,169</u>

All the Group's borrowings are denominated in Ringgit Malaysia.

18. Cash and cash equivalents

Cash and cash equivalents at end of reporting period comprise the following:

	AS AT 31.3.2024	AS AT 31.3.2023
	RM'000	RM'000
Fixed deposits, cash and bank balances	74,367	50,705
Less : Deposits pledged with licensed banks	(26,803)	(25,152)
	<u>47,564</u>	<u>25,553</u>

The currency exposure profile of cash and cash equivalents is as follows:

Ringgit Malaysia	44,489	21,083
Chinese Renminbi	2,698	3,920
United States Dollar	377	550
	<u>47,564</u>	<u>25,553</u>

Cash and cash equivalents denominated in Chinese Renminbi of subsidiary companies in the People's Republic of China ("PRC") are subject to the exchange control restriction of the PRC.

19. Changes in material litigation

There was no material litigation since 31 December 2023.

20. Dividend proposed

The Board of Directors does not recommend any dividend for the current quarter and financial year-to-date.

21. Earnings per share ("EPS")

Basic EPS is calculated by dividing the Group's profit attributable to owners of the Company for the period by the weighted average number of ordinary shares of the Company in issue during the current quarter and financial year-to-date as follows:

	INDIVIDUAL QUARTER		YEAR-TO-DATE ENDED	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
Profit attributable to owners of the Company (RM'000)	2,351	1,102	2,351	1,102
Weighted average number of shares in issue ('000)	227,827	227,827	227,827	227,827
Basic EPS (sen)	1.03	0.48	1.03	0.48

The basic EPS and the diluted EPS are equal as the Company has no dilutive potential ordinary shares as of the end of the reporting period.

22. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2023 was not qualified.

23. Profit before tax

Profit before tax is arrived at after crediting/(charging) the following:

	INDIVIDUAL QUARTER		YEAR-TO-DATE ENDED	
	31.3.2024 RM'000	31.3.2023 RM'000	31.3.2024 RM'000	31.3.2023 RM'000
a) Interest income	630	573	630	573
b) Other income including investment income	2,577	1,292	2,577	1,292
c) Interest expense	(535)	(255)	(535)	(255)
d) Depreciation and amortisation	(1,163)	(1,115)	(1,163)	(1,115)
e) Provision for and write off of receivables	(1,577)	(1,437)	(1,577)	(1,437)
f) Provision for and write off of inventories	-	-	-	-
g) Gain or (loss) on disposal of - quoted or unquoted investments or properties	-	-	-	-
h) Impairment of assets	-	-	-	-
i) Foreign exchange gain or (loss)	66	123	66	123
j) Gain or (loss) on derivatives	-	-	-	-

24. Corporate proposals

Status of corporate proposals

Save for the below proposals undertaken by the Group, there are no other corporate proposals as at the date of this report.

Date of Announcement	Subjects	Status
18.5.2022 17.11.2022 25.11.2022 2.12.2022 16.2.2023 16.8.2023 17.5.2024	<p>(a) Lion Waterfront Sdn Bhd, a wholly-owned subsidiary of the Company, had on 18 May 2022 entered into a conditional development agreement with Landasan Lumayan Sdn Bhd ("Landasan Lumayan"), a wholly-owned subsidiary of Menteri Besar Selangor (Pemerbadanan), to form an unincorporated joint venture to undertake a mixed residential and commercial development on a parcel of land to be alienated by the Selangor State Government to Landasan Lumayan measuring approximately 26.29 acres in Section 24, Shah Alam, Selangor ("Proposed Unincorporated Joint Venture").</p> <p>(b) In conjunction with the Proposed Unincorporated Joint Venture, the Company proposes to diversify the existing businesses of the Company and its subsidiary companies to include property development ("Proposed Diversification").</p> <p>The Proposed Unincorporated Joint Venture and the Proposed Diversification shall collectively be referred to as the "Proposals".</p>	<p>Approval of the Shareholders of the Company was obtained on 2 December 2022.</p> <p>The Proposals are pending the approvals to be obtained from all relevant regulatory authorities.</p>