



**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 31 MARCH 2024 – UNAUDITED**

	31/03/2024	31/12/2023
	RM'000	RM'000
Assets		
Property, plant and equipment	44,101	43,903
Right-of-use assets	15,917	14,690
Intangible assets	22,850	23,015
Investment properties	8,060	8,060
Investment in associate	-	-
Investment in joint ventures	30,856	29,664
Other investments	43,604	37,783
Deferred tax assets	15,618	12,720
Trade and other receivables	16,320	17,816
Total non-current assets	<u>197,326</u>	<u>187,651</u>
Trade and other receivables	42,141	44,244
Contract assets	62,256	59,189
Inventories	113,463	113,002
Other investment	10,285	11,239
Current tax assets	4,038	4,017
Assets classified as held for sale	445	445
Cash and cash equivalents	126,119	155,793
Total current assets	<u>358,747</u>	<u>387,929</u>
Total assets	<u><u>556,073</u></u>	<u><u>575,580</u></u>
Equity		
Ordinary share capital	458,276	458,276
Reserves	(5,742)	(6,418)
Accumulated losses	(58,343)	(62,783)
Total equity attributable to owners of the Company	<u>394,191</u>	<u>389,075</u>
Non-controlling interests	6,909	7,520
Total equity	<u><u>401,100</u></u>	<u><u>396,595</u></u>
Liabilities		
Trade and other payables	5,832	5,199
Loans and borrowings	15,011	15,360
Lease liabilities	1,684	4,099
Deferred tax liabilities	11,609	11,603
Total non-current liabilities	<u>34,136</u>	<u>36,261</u>
Trade and other payables	101,409	96,862
Contract liabilities	1,009	1,117
Lease liabilities	3,743	1,477
Loans and borrowings	14,238	42,974
Current tax liabilities	438	294
Total current liabilities	<u>120,837</u>	<u>142,724</u>
Total liabilities	<u><u>154,973</u></u>	<u><u>178,985</u></u>
Total equity and liabilities	<u><u>556,073</u></u>	<u><u>575,580</u></u>
Net assets per share (RM)	0.39	0.38

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.



**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FIRST QUARTER ENDED 31 MARCH 2024 – UNAUDITED**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year Todate	Preceding Year Corresponding Period
	31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
Revenue	47,635	36,273	47,635	36,273
Cost of sales	(42,458)	(28,480)	(42,458)	(28,480)
Gross Profit	5,177	7,793	5,177	7,793
Other income	7,102	5,375	7,102	5,375
Other expenses	(378)	(1,342)	(378)	(1,342)
Distribution expenses	(283)	(310)	(283)	(310)
Administrative expenses	(9,229)	(8,946)	(9,229)	(8,946)
Profit/(Loss) from operating activities	2,389	2,570	2,389	2,570
Finance costs	(817)	(717)	(817)	(717)
Finance income	1,071	762	1,071	762
Share of profit of equity-accounted associate/ joint ventures, net of tax	1,193	3,532	1,193	3,532
Profit before tax	3,836	6,147	3,836	6,147
Tax expense	(157)	(791)	(157)	(791)
Profit for the period	3,679	5,356	3,679	5,356
Profit/(Loss) attributable to:				
Owners of the Company	4,440	4,816	4,440	4,816
Non-controlling interests	(761)	540	(761)	540
Profit/(Loss) for the period	3,679	5,356	3,679	5,356
Basic earnings per ordinary share (sen)	0.44	0.48	0.44	0.48

The Condensed Consolidated Income Statement 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.



**CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2024 – UNAUDITED**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year ToDate	Preceding Year Corresponding Period
	31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
Profit/(Loss) for the period	3,679	5,356	3,679	5,356
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	676	187	676	187
Total other comprehensive income	676	187	676	187
Total comprehensive income for the period	4,355	5,543	4,355	5,543
Total comprehensive income attributable to:				
Owners of the Company	5,116	5,003	5,116	5,003
Non-controlling interests	(761)	540	(761)	540
Total comprehensive income for the period	4,355	5,543	4,355	5,543

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.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2024 – UNAUDITED**

	←——— Attributable to Owners of the Company ———→				Total	Non- controlling interests	Total equity
	←——— Non – distributable		Distributable →				
	Ordinary share capital	Translation reserve	Treasury shares	Accumulated losses			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2023	458,276	4,336	(826)	(36,755)	425,031	22,599	447,630
Total comprehensive income for the period	-	187	-	4,816	5,003	540	5,543
Own shares acquired	-	-	(2,844)	-	(2,844)	-	(2,844)
Dividends to non-controlling interest	-	-	-	-	-	(50)	(50)
At 31 March 2023	458,276	4,523	(3,670)	(31,939)	427,190	23,089	450,279
At 1 January 2024	458,276	(6,347)	(71)	(62,783)	389,075	7,520	396,595
Total comprehensive income for the period	-	676	-	4,440	5,116	(761)	4,355
Acquisition of preference shares in a subsidiary	-	-	-	-	-	150	150
At 31 March 2024	458,276	(5,671)	(71)	(58,343)	394,191	6,909	401,100

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.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2024 - UNAUDITED**

	3 months Ended 31/03/2024 RM'000	3 months Ended 31/03/2023 RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	3,836	6,147
Adjustments for :		
- Non-cash items	(6,246)	(4,115)
- Non-operating items	(254)	(44)
Operating loss before changes in working capital	<u>(2,664)</u>	1,988
Changes in working capital	5,141	2,269
Cash (used in)/generated from operations	<u>2,477</u>	4,257
Interest paid	(363)	(313)
Income taxes paid	(2,925)	(142)
Net cash (used in)/generated from operating activities	<u>(811)</u>	<u>3,802</u>
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of investment properties	-	630
- Proceeds from disposal of other investments	-	5,409
- Net cash from dilution of interest in subsidiaries	-	6
- Acquisition of preference shares in a subsidiary	150	
- Acquisition of other investments	-	(4,959)
- Acquisition of property, plant and equipment	(1,009)	(1,394)
- Distribution income from fund investments	-	(39)
- Redemption of preference shares	954	-
- Redemption of investment from fund investments	-	-
- Dividends received from :		
- Other investments	38	16
- Interest received	1,072	762
Net cash from/(used in) investing activities	<u>1,205</u>	<u>431</u>
<u>Cash flows from financing activities</u>		
- Repurchase of treasury shares	-	(2,844)
- Drawdown from borrowings	-	6,161
- Interest paid	(454)	(404)
- Repayment of borrowings	(29,680)	(103)
- Dividends paid to non-controlling interests	-	(50)
- Repayment of lease liabilities	(413)	(231)
- Repayment of finance lease liabilities	(926)	(996)
Net cash used in financing activities	<u>(31,473)</u>	<u>1,533</u>
Net increase/(decrease) in cash and cash equivalents	(31,079)	5,766
Cash and cash equivalents at beginning of period	155,763	140,020
Exchange differences on translation of the financial statements of foreign entities	1,129	1,498
Cash and cash equivalents at end of period	<u>125,813</u>	<u>147,284</u>

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.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2024 – UNAUDITED**

The cash and cash equivalents comprise the following balance sheet amounts:

	3 months Ended 31/03/2024 RM'000	3 months Ended 31/03/2023 RM'000
Cash and bank balances	21,101	22,822
Deposits placed with licensed banks	105,018	124,880
	126,119	147,702
Bank overdrafts	(276)	(388)
Pledged deposits	(30)	(30)
	125,813	147,284

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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024**(i) EXPLANATORY NOTES PURSUANT TO MFRS 134 – Interim Financial Reporting****1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134 – *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. It also complies with IAS 34 – *Interim Financial Reporting* issued by the International Accounting Standards Board (IASB).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and with the explanatory notes attached herein. 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 last audited financial statements for year ended 31 December 2023. The audited financial statements of the Group as at and for the year ended 31 December 2023 were prepared under Malaysian Financial Reporting Standards (MFRSs).

1.1 Significant Accounting Policies

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for year ended 31 December 2023 except for the adoption of the following new and revised MFRSs, Amendments to MFRSs and IC Interpretations by the Group with effect from 1 January 2024.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2024 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2024
- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the abovementioned amendments are not expected to have any material financial impact to the current period and prior year financial statements of the Group.

2. Preceding Annual Financial Statement

The audit report of the Group's annual financial statements prepared under MFRSs for the year ended 31 December 2023 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The principal activities of the Group are not subject to any seasonal or cyclical changes.

4. Unusual Items that Affect the Financial Statements

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the quarter ended 31 March 2024.

5. Material Changes in Estimates

There were no changes in the estimates of amounts reported in prior financial years that have a material effect in the current interim period.

6. Debt and Equity Securities

There were no issuance and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the quarter ended 31 March 2024.

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7. Segmental Reporting

The segmental revenue and results of the Group for the quarter ended 31 March 2024 are as follows:-

	Constructions	Glove Manufacturing	Trading & Services	Property Development	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment profit/(loss)	5,726	(43)	926	(204)	6,405
<i>Included in the measure of segment profit are:</i>					
Revenue from external customers	36,830	8,180	2,625	-	47,635
Share of profit of associate	-	-	-	-	-
Share of profit of joint venture	311	-	882	-	1,193
<i>Not included in the measure of segment profit but provided to CODM:</i>					
Depreciation and amortization	(319)	(787)	(213)	(71)	(1,390)
Finance costs	(337)	(139)	(34)	(307)	(817)
Finance income	1,061	2	2	7	1,072
Income tax expense	(9)	23	(70)	(101)	(157)
Segment assets	322,330	34,366	92,242	107,135	566,073
<i>Included in the measure of segment assets are:</i>					
Investment in associate	-	-	-	-	-
Investment in joint venture	8,713	-	22,143	-	30,856
Additions to non-current assets other than financial instruments and deferred tax assets	1,521	126	872	-	2,519

Reconciliations of reportable segment profit or loss, assets and other material items

	RM'000
Profit or loss	
Total profit or loss for reportable segments	6,405
Depreciation and amortisation	(1,390)
Finance costs	(817)
Finance income	1,072
Unrealised/ realised foreign exchange gain/(loss)	728
Unallocated expenses:	
Corporate expenses	(2,162)
Consolidated profit/(loss) before tax	<u>3,836</u>

8. Valuations of Property, Plant and Equipment

There was no revaluation of property, plant and equipment during the quarter ended 31 March 2024. The valuation of land and buildings have been brought forward without amendment from the previous annual audited report.

9. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the interim period up to 16 May 2024 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report), that have not been reflected in the financial statement for the interim period.

10. Effect of Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period to-date.

11. Changes in Contingent Liabilities/Contingent Assets

The contingent liabilities as at financial period ended 31 March 2024 are as follows:-

	RM'000
(i) Bank guarantees given to third parties relating to performance, tenders and advance payment bonds	<u>31,362</u>
(ii) Claims related to breach of the contract by Aspen Glove Sdn Bhd	<u>173,980</u>

The details of the litigation are reported in Part B (Note 4).

12. Net assets (NA) per share

The NA per share is derived as follows:-

	RM'000
Shareholders funds	394,191
No. of shares	<u>1,012,413</u>
NA per share (RM)	<u>0.39</u>



B. ADDITIONAL DISCLOSURE PURSUANT TO THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

1. Taxation

The breakdown of tax charge is as follows:-

	Current Quarter Ended 31/03/2024 RM'000	Cumulative Quarter To-date 31/03/2024 RM'000
Continuing operations		
Malaysia - current period	220	220
- prior years	(40)	(40)
- deferred tax	(22)	(22)
	157	157

The Group's lower effective tax rate (excluding the results of associates and joint ventures which are equity accounted net of tax) in the cumulative quarter to-date is primarily attributed to certain unrealised gains that are not subject to taxation.

2. Status of Corporate Proposals

On 24 March 2023, Nusantara Megajuta Sdn Bhd ("NMSB" or "Landowner"), an indirect wholly-owned subsidiary of Salcon, entered into a Joint Venture Agreement with EXSIM Kebun Teh Sdn Bhd to undertake a multiple phased mixed-use development comprising of service apartments and retail units on 2 adjoining parcels of 99 years' leasehold land held under HSD 482930, PTB 22841 and HSD 482931, PTB 22842, Bandar Johor Bahru, Daerah Johor Bahru.

The status of the utilisation of the Landowner's Entitlement to be received of RM140.00 million as at 16 May 2024 is as follows: (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report):-

Purpose	Proposed Utilisation	Actual Utilisation	Estimated Timeframe for Utilisation	Deviation		Explanation
	RM'000	RM'000		RM'000	%	
Repayment of bank borrowings	28,000	-	Within 12 months from the last collection date	-	-	Not Completed
Working capital	112,000	-	Within 12 months from the last collection date	-	-	Not Completed
Total	140,000	-		-	-	-

3. Group Borrowings and Debt Securities

Total Group borrowings as at 31 March 2024 are as follows:

	As at 1st quarter ended 2024		
	Long term	Short term	Total borrowings
	RM'000 denomination	RM'000 denomination	RM'000 denomination
Secured			
<i>Term loans</i>	-	6,027	6,027
<i>Finance lease liabilities</i>	12,636	1,210	13,846
Unsecured			
<i>Term loans</i>	2,375	354	2,729
<i>Bankers' Acceptance</i>	-	2,371	2,371
<i>Revolving Credit</i>	-	4,000	4,000
<i>Bank overdrafts</i>	-	276	276
	15,011	14,238	29,249

	As at 1st quarter ended 2023		
	Long term	Short term	Total borrowings
	RM'000 denomination	RM'000 denomination	RM'000 denomination
Secured			
<i>Term loans</i>	986	5,277	6,213
<i>Finance lease liabilities</i>	3,041	1,416	4,457
Unsecured			
<i>Term loans</i>	2,733	330	3,063
<i>Bankers' Acceptance</i>	-	11,844	11,844
<i>Revolving Credit</i>	-	5,000	5,000
<i>Bank overdrafts</i>	-	388	388
	6,760	24,205	30,965

For the year to-date financial quarter under review, the Group has recorded borrowings of RM29.25 million as compared to RM30.97 million for corresponding period in the immediate preceding year. The movement in the borrowings was substantially attributed by repayment of bankers' acceptance amounting to RM9.48 million and acquisition of new finance lease amounting to RM9.39 million.

There were no bank borrowings denominated in foreign currencies as at the reporting date.

4. Changes in Material Litigation

There was no material update as at 16 May 2024 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report) except for the following:-

(i) Aspen Glove Sdn Bhd ("AGSB" or "Plaintiff") vs JR Engineering and Medical Technologies (M) Sdn Bhd ("JREMT" or "Defendant")

On 13 January 2021, JREMT had entered into a Sale and Distribution Agreement with AGSB (“Contract”), for the sale and purchase of gloves produced by AGSB in year 2021.

On 4 November 2022, JREMT served a letter of demand on the Plaintiff via its solicitors, Messrs Rosli Dahlan Saravana Partnership, to demand the sum of RM22,363,243.07, being unutilised funds under the Contract.

However, the Plaintiff had on 5 December 2022 filed an Originating Summons with the High Court of Malaya at Shah Alam, Selangor Darul Ehsan, Originating Summons No. BA24NCC-118-12/2022, (“Originating Summons”) against the Defendant for the following reliefs :

- (i) a declaration that the letter of demand dated 4 November 2022 is invalid and void;
- (ii) an injunction restraining the Defendant whether by itself or through its agents or representatives from filing or presenting a winding up petition based on the notice of demand dated 4 November 2022 until the disposal of the Originating Summons;
- (iii) an injunction restraining the Defendant whether by itself or through its agents or representative from advertising a winding up petition based on the notice of demand dated 4 November 2022 until the disposal of the Originating Summons;
- (iv) costs; and
- (v) other reliefs the Court deems fit.

JREMT is advised by its solicitors that AGSB’s Originating Summons is non-meritorious and JREMT will oppose to the Originating Summons without hesitant. In connection thereto, JREMT had on 19 December 2022 filed an Affidavit in Reply to oppose the Originating Summons, which includes a counterclaim, as follows:

- (a) That the Plaintiff do pay RM22,363,243.07.
- (b) Alternatively, declaration that the Plaintiff is liable to account to the Defendant for the sum of RM22,363,243.07 as a constructive trustee;
- (c) Pre-judgement interests pursuant to Section 11 of the Civil Law Act 1956;
- (d) Post-judgement interests;
- (e) Costs; and
- (f) Such further and/or other reliefs that this Honourable Court deems just and proper.

In relation to the Originating Summons (Summons No.: BA-24NCC-118-12/2022):

- (i) Further to the counterclaim filed by JREMT on 19 December 2022, JREMT had on 27 December 2022 filed an application for interim injunction to, amongst others, preserve the RM22,363,243.07 pending the disposal of JREMT’s counterclaim (“Interim Injunction Application”).
- (ii) On 20 January 2023, the court granted an ex-parte injunction order (“Ex-Parte Order”) in favour of JREMT in the Interim Injunction Application.
- (iii) On 26 January 2023, AGSB filed an application to set-aside the Ex-Parte Order (“Setting Aside Application”).
- (iv) On 31 January 2023, the court granted an interim injunction in the Originating Summons in favour of AGSB restraining JREMT from presenting a winding up petition against AGSB pending the disposal of the Originating Summons. The decision in respect of the Originating Summons is fixed on 20 February 2023.
- (v) Directions in respect of JREMT’s counterclaim will also be given on 20 February 2023.
- (vi) On 10 February 2023, the court granted an ad-interim injunction order in favour of JREMT in the Interim Injunction Application, pending the disposal of the Interim Injunction Application (inter-partes) and the Setting Aside Application.
- (vii) Hearing and/or decision of the Interim Injunction Application and the Setting Aside Application are fixed on 24 February 2023.
- (viii) AGSB’s originating summons was allowed on 20 February 2023.
- (ix) JREMT’s application for interim conjunction to preserve the sum of RM22,363,243.07 was dismissed on 24.02.2023.



(x) AGSB's application to set aside the ex-parte order dated 20 February 2023 was allowed on 24 February 2023.

Furthermore, Salcon also inform that on 25 January 2023, AGSB filed a writ against JREMT (Civil Suit No.: BA-22NCvC-41-01/2023)("Suit") endorsed with Statement of Claim. In the Suit, AGSB alleged that JREMT did not purchase one (1) billion pieces of gloves from AGSB as stated in the Contract and therefore JREMT was in breach of the Contract.

In this Suit, AGSB claims:

- (a) a declaration that JREMT breached the Contract;
- (b) an order that JREMT pays AGSB the sum of RM74,654,583.90, being loss of expenditure;
- (c) an order that JREMT pays AGSB the sum of RM99,325,563.00, being loss of profit;
- (d) damages for breach of contract;
- (e) compensation for breach of contract;
- (f) interest;
- (g) costs;
- (h) such further or other relief as the Court deems fit.

JREMT is advised by its solicitors that the Suit is non-meritorious and JREMT shall vigorously defend the Suit.

JREMT had on 31 January 2023 filed its Memorandum of Appearance. The parties of the Suit are now exchanging its pleadings

5. Material Changes in the Results of the Current Quarter compared to that of the Preceding Quarter

	Current Quarter RM'000	Immediate Preceding Quarter RM'000	Changes %
	31/03/2024	31/12/2023	
Revenue	47,635	52,885	-10%
Operating Profit/(Loss)	2,389	(28,836)	108%
Profit/(Loss) Before Interest and Tax	4,653	(27,306)	117%
Profit/(Loss) Before Tax	3,836	(28,309)	114%
Profit/(Loss) For The Period	3,679	(26,333)	114%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	4,440	(14,970)	130%

For the current quarter, the Group revenue was lower by 10% at RM47.64 million. Nevertheless, the Group has recorded profit before tax of RM3.84 million as compared to loss before tax of RM28.31 million in the immediate preceding quarter mainly due to impairment losses recognised in the immediate preceding quarter.

The revenue recorded in the Constructions Division was lower by 3%, a decrease from RM37.89 million to RM36.79 million as compared to the immediate preceding quarter. The Division recorded loss before tax of RM346,000 in the current quarter as compared to loss before tax of RM2.26 million in the immediate preceding quarter due to lower operating expenses in the current quarter.



The revenue recorded in the Glove Manufacturing Division was lower by 26%, a decrease from RM11.00 million to RM8.18 million as compared to the immediate preceding quarter. The Division recorded loss before tax of RM957,000 in the current quarter as compared to loss before tax of RM29.67 million in the immediate preceding quarter. The decrease in the loss before tax is mainly due to impairment losses on intangible assets and property, land and equipment in the immediate preceding quarter.

In the Property Development Division, it recorded a higher loss before tax of RM575,000 in the current quarter as compared to loss before tax of RM232,000 in the immediate preceding quarter due to higher operating expenses in the current quarter.

For the Trading and Services Division, revenue decreased from RM4.55 million to RM2.62 million by 42%. The Division recorded profit before tax of RM682,000 in the current quarter as compared to profit before tax of RM7.62 million in the immediate preceding quarter due to gain from dissolution of subsidiaries in the immediate preceding quarter.

6. Review of Performance of the Company and its Principal Subsidiaries

	Individual Period (1st Quarter)		Changes %	3 Months Ended		Changes %
	Current Year Quarter RM'000	Preceding Year Corresponding Quarter RM'000		Current Year Cumulative Quarter RM'000	Preceding Year Cumulative Quarter RM'000	
	31/03/2024	31/03/2023		31/03/2024	31/03/2023	
Revenue	47,635	36,273	31%	47,635	36,273	31%
Operating Profit/(Loss)	2,389	2,570	-7%	2,389	2,570	-7%
Profit/(Loss) Before Interest and Tax	4,653	6,864	-32%	4,653	6,864	-32%
Profit/(Loss) Before Tax	3,836	6,147	-38%	3,836	6,147	-38%
Profit/(Loss) For The Period	3,679	5,356	-31%	3,679	5,356	-31%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	4,440	4,816	-8%	4,440	4,816	-8%

For the current year quarter under review, the Group achieved higher revenue amounting to RM47.64 million as compared to RM36.27 million in the preceding year corresponding quarter or an increase of 31% mainly due to higher completion of projects from Constructions Division. Profit before taxation of RM3.84 million was recorded in the current year quarter as compared to profit before tax of RM6.15 million in the preceding year corresponding quarter mainly due to lower contribution from the Constructions Division in the current year quarter.

In the Constructions Division, revenue recorded in the current year quarter was RM36.79 million, or higher by 50% as compared to RM24.54 million in the preceding year corresponding quarter. Nevertheless, the Division recorded a loss before tax of RM346,000 in the current year quarter as compared to profit before tax of RM4.83 million in the preceding year corresponding quarter substantially due to lower gross profit margin in the current year quarter.

In the Glove Manufacturing Division, revenue decreased marginally from RM8.56 million to RM8.18 million by 4% as compared to the preceding year corresponding quarter. The Division recorded a



lower loss before tax of RM957,000 in the current year quarter as compared to loss before tax of RM1.56 million in the preceding year corresponding quarter mainly due to higher gross profit margin in the current year quarter.

The Property Development Division has recorded a loss before tax of RM575,000 in the current year quarter as compared to loss before tax of RM480,000 in the preceding year corresponding quarter due to higher operating expenses in the current year quarter.

In the Trading and Services Division, revenue decreased from RM3.16 million to RM2.62 million by 17% as compared to the preceding year corresponding quarter. The Division recorded a lower profit before tax of RM682,000 in the current year quarter as compared to profit before tax of RM2.71 million in the preceding year corresponding quarter mainly due to higher profit sharing of an equity-accounted associate in the preceding year corresponding quarter.

7. Prospects

The Group continues to tender for water and wastewater projects in Malaysia and overseas to undertake water and wastewater infrastructure projects. As the country moves into a post pandemic phase, coupled with the budget 2024 announcement, a budget of RM11.8 billion is set aside for 33 high priority flood mitigation projects. The Group positions itself to be ready to seize the opportunities and will continue to leverage on our proven track to secure new contracts. Progress of existing contracts are on-going and construction activities are expected to pick up towards the year end.

8. Variance of Profit Forecast / Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

9. Financial instruments - derivatives

As at 31 March 2024, the Group has no outstanding foreign currency forward contracts under derivative financial instruments.

10. Earnings Per Share

The basic and diluted earnings per share have been calculated based on the consolidated net profit attributable to equity holders of the parent for the period and the weighted average number of ordinary shares outstanding during the period as follows:

Basic earnings per shares

	Current Quarter Ended	Comparative Quarter Ended	Cumulative Quarter To-date	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
Profit attributable to equity holders of the parent (RM'000)	4,440	4,816	4,440	4,816
<u>Weighted average number of ordinary shares</u>				
Issued ordinary shares at beginning of period ('000)	1,012,091	1,007,614	1,012,091	1,007,614
Effect of shares repurchased during the period ('000)	-	(3,957)	-	(3,957)
Weighted average number of ordinary shares ('000)	<u>1,012,091</u>	<u>1,003,657</u>	<u>1,012,091</u>	<u>1,003,657</u>
Basic earnings per share (sen)	0.44	0.48	0.44	0.48



11. Notes to the Condensed Consolidated Statement of Comprehensive Income

Profit before tax arrived at after (charging)/crediting the followings items:

	Current Quarter Ended 31/03/2024 RM'000	Cumulative Quarter Ended 31/03/2024 RM'000
Net realised foreign exchange gain/(loss)	142	142
Net unrealised foreign exchange gain/(loss)	585	585
Depreciation and amortization	(1,390)	(1,390)
	<u>(663)</u>	<u>(663)</u>

Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 May 2024.

ON BEHALF OF THE BOARD

TAN SRI DATO' TEE TIAM LEE
Executive Deputy Chairman

Selangor Darul Ehsan
23 May 2024