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**A. Notes to the financial report for the second financial quarter ended 31 December 2024**

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**1. Basis of preparation**

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board and Paragraph 9.22 and Appendix 9B 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 30 June 2024 and the accompanying explanatory notes attached to this interim financial report.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2024 except for the adoption of MFRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2024 respectively which are applicable to the Group. The initial adoption of these applicable MFRSs, amendments and interpretations do not have any material impact on the financial statements of the Group.

**2. Audit report of preceding annual financial statements**

The auditors' report on the financial statements of the Group for the financial year ended 30 June 2024 was not subject to any qualification.

**3. Seasonal or cyclical operations**

The business operations of the Group are subject to cyclical effects of the global electronics industries and volatility of real estate markets.

**4. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that unusual because of their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

**5. Nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year, which give a material effect in the current interim period**

There were no significant changes in the estimates that have a material effect in the current quarter.

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**A. Notes to the financial report for the second financial quarter ended 31 December 2024**

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**6. Issuance, cancellations, repurchases, resale or repayments of debts and equity securities**

There were no issuance, repurchase and repayment of debts and equity securities during the current quarter and financial year-to-date ended 31 December 2024.

**7. Dividend Paid**

There were no dividend paid for the quarter under review. (31.12.2024 : Nil)

**8. Segment Information**

For management purposes, the Group is organised into business units based on their nature of business and services.

The Group's reportable operating segments are as follows:

- Manufacturing – Manufacture of precision machined components, precision stamping, sheet metal parts, surface treatment, precision moulds, tooling & dies, semiconductor assembly and testing equipment, metal works and structures, modules and parts for oil and gas production and extraction equipment.
- Property Development - Property development and property management.
- Pharmaceutical & Healthcare - Wholesale and retail sale of pharmaceutical and all kinds of healthcare products
- Asset and Investment Management – Property letting, operation of dormitory and hotel operations and investment holding.
- Other operating segments – Money lending and management services.

**A. Notes to the financial report for the second financial quarter ended 31 December 2024****8. Segment Information (cont'd)**

Year ended 31.12.2024	Manufacturing	Property Development	Pharmaceutical	Asset and Investment Management	Other Operating Segments	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customer	112,598	8,453	40,790	13,848	219	-	175,908
Intersegment revenue	11,794	694	-	15,764	4,443	(32,695)	-
Interest income	449	49	121	914	5	(876)	662
Interest expense	1,248	1,426	407	751	5	(1,284)	2,553
Depreciation and amortisation	9,987	90	693	1,759	101	(2,519)	10,111
Tax expense	3,862	-	708	555	-	(23)	5,102
Reportable segment profit after taxation	6,038	(1,233)	3,225	13,190	556	(13,550)	8,226
Reportable segment assets	266,347	186,571	57,474	433,921	19,875	(354,611)	609,577
Expenditure for non-current assets	5,226	27	51	443	66	(89)	5,724
Reportable segment liabilities	117,080	75,940	28,090	69,591	824	(85,995)	205,530

**A. Notes to the financial report for the second financial quarter ended 31 December 2024****8. Segment Information (cont'd)**

Year ended 31.12.2023	Manufacturing	Property Development	Pharmaceutical	Asset and Investment Management	Other Operating Segments	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customer	91,967	9,650	40,972	7,157	268	-	150,014
Intersegment revenue	6,940	1,433	7,400	19,640	4,209	(39,622)	-
Interest income	419	1	121	1,352	11	(1,676)	228
Interest expense	846	1,620	20	1,438	-	(1,758)	2,166
Depreciation and amortisation	8,134	107	429	1,768	89	(1,818)	8,709
Tax expense	3,061	(4)	1,270	627	-	(12)	4,942
Reportable segment profit after taxation	2,438	(799)	3,628	14,934	396	(16,876)	3,721
Reportable segment assets	252,848	187,123	40,335	500,027	20,831	(427,953)	573,211
Expenditure for non-current assets	3,168	1	22	404	2	-	3,597
Reportable segment liabilities	96,892	75,367	13,246	84,666	1,272	(94,263)	177,180

**Segment information by geographical regions**

The following is an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods/services:

	31.12.2024 RM'000	31.12.2023 RM'000
Malaysia	134,291	124,645
Singapore	18,790	5,175
United States of America	10,595	10,605
Others	12,232	9,589
	<b>175,908</b>	<b>150,014</b>

**Information about major customer**

There was no customer who contributed more than 10% of the Group's total revenues for the period under review (31.12.2024: Nil).

**A. Notes to the financial report for the second financial quarter ended 31 December 2024**

**9. Valuation of property, plant and equipment**

The valuation of property, plant and equipment has been brought forward without any amendment from the previous annual report.

**10. Subsequent events**

There were no material events subsequent to the end of the reporting period that have not been reflected in the financial statements.

**11. Changes in the composition of the group**

There were no other major changes in the composition of the Group during the period ended 31 December 2024.

**12. Contingent assets and contingent liabilities**

The Group has issued corporate guarantees to financial institutions for banking facilities granted to certain subsidiaries up to a limit of RM218 million of which RM89 million has been utilized as at 31 December 2024.

**13. Material related party transaction**

All related party transactions within the Group had been entered into in the normal course of business and were carried out on normal commercial terms during the current quarter ended 31 December 2024.

**14. Capital Commitments**

Authorised capital commitments not recognised in the interim financial statement as at 31 December 2024 were as follows: -

	<b>31.12.2024</b>	<b>30.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Contracted but not provided for :-</b>		
Property, Plant and Equipment	<b>522</b>	<b>2,463</b>

**B. Additional information required by the Listing Requirements of Bursa Securities****1. Review of performance**

	<u>CURRENT/CUMULATIVE QUARTER</u>			<u>CUMULATIVE PERIOD</u>		
	Current quarter ended 31.12.2024	Preceding year corresponding quarter 31.12.2023	Var	Current Year todate 31.12.2024	Preceding year 31.12.2023	Var
<u>Operating Segment</u>	RM'000	RM'000	%	RM'000	RM'000	%
<b>Revenue:-</b>						
Manufacturing	56,008	46,842	20%	112,598	91,967	22%
Property Development	4,413	5,476	-19%	8,453	9,650	-12%
Pharmaceutical	16,643	21,020	-21%	40,790	40,972	0%
Asset and Investment Management	5,977	3,763	59%	13,848	7,157	93%
Other operating segments	49	149	-67%	219	268	-18%
	<b>83,090</b>	<b>77,250</b>	<b>8%</b>	<b>175,908</b>	<b>150,014</b>	<b>17%</b>
<b>Profit before tax:-</b>						
Manufacturing	3,610	3,625	0%	9,900	5,499	80%
Property Development	(562)	(642)	12%	(1,233)	(803)	-54%
Pharmaceutical	1,238	1,998	-38%	3,933	4,898	-20%
Asset and Investment Management	7,389	9,177	-19%	13,745	15,561	-12%
Other operating segments	470	12	3817%	556	396	40%
	<b>12,145</b>	<b>14,170</b>		<b>26,901</b>	<b>25,551</b>	
Consolidation adjustments and eliminations	(7,045)	(8,998)		(13,573)	(16,888)	
	<b>5,100</b>	<b>5,172</b>	<b>-1%</b>	<b>13,328</b>	<b>8,663</b>	<b>54%</b>

**Statement of Profit & Loss and Other Comprehensive Income**

The Group reported revenue of RM83.1 million and profit before tax ("PBT") of RM5.10 million for the current quarter, representing an 8% increase in revenue and a 1% decline in PBT compared to the corresponding quarter of the previous year.

For current YTD, revenue reported a increase of 17% at RM176 million while PBT improved by 54% to RM13.3 million compared to preceding year's corresponding period.

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**B. Additional information required by the Listing Requirements of Bursa Securities**

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**1. Review of performance (cont'd)**

**1.1 Segmental Analysis**

**Manufacturing**

The manufacturing division delivered better results, with revenue rising by 20% compared to the corresponding quarter of the previous year. However, PBT remained on par with the prior year's corresponding quarter, primarily due to a shift towards a lower-margin sales mix and soft market demand on higher margin sales mix during the period. Additionally, competitive pricing pressures and changes in product mix resulted in a compressed profit margin, limiting the impact on overall profitability.

**Property Development**

The property division recorded a 19% decline in revenue, while PBT improved by 12% compared to the corresponding quarter of the previous year. The decrease in revenue was primarily due to lower sales conversion for the Langkawi project. Meanwhile, the recent launch of an affordable housing project contributed minimal revenue, which remained insufficient to offset fixed overhead costs during the period.

**Pharmaceutical & Healthcare**

The pharmaceutical and healthcare products division reported a decline of 21% in revenue and 38% in PBT compared to the corresponding quarter. The decrease in profitability was mainly due to strategic pricing adjustments implemented to sustain market share amid intensified competition in the retail segment.

**Asset and Investment Management**

The asset management division recorded a 59% increase in revenue compared to the corresponding quarter of the previous year. However, PBT declined by 19%, despite the stronger hospitality performance. The decrease in profitability was primarily due to a higher level of dividend income received in the corresponding quarter of the previous year, which contributed to an elevated PBT base.

Meanwhile, the investment management division continues to generate income primarily through dividends received from subsidiary companies.

**B. Additional information required by the Listing Requirements of Bursa Securities****2. Comparison with preceding quarter's results**

<b>Operating Segment</b>	<b>Current Year quarter ended 31.12.2024 RM'000</b>	<b>Preceding quarter ended 30.9.2024 RM'000</b>	<b>Var %</b>
<b>Revenue:-</b>			
Manufacturing	56,008	56,590	-1%
Property Development	4,413	4,040	9%
Pharmaceutical	16,643	24,147	-31%
Asset and Investment Management	5,977	7,871	-24%
Other operating segments	49	170	-71%
	<b>83,090</b>	<b>92,818</b>	<b>-10%</b>
<b>Profit before tax:-</b>			
Manufacturing	3,610	6,290	-43%
Property Development	(562)	(671)	16%
Pharmaceutical	1,238	2,695	-54%
Asset and Investment Management	7,389	6,356	16%
Other operating segments	470	86	447%
	<b>12,145</b>	<b>14,756</b>	
Consolidation adjustments and eliminations	(7,045)	(6,528)	
	<b>5,100</b>	<b>8,228</b>	<b>-38%</b>

The Group's reported revenue of RM83.10 million and PBT of RM5.10 million, representing a decrease of 10% in revenue and 38% in PBT as compared to Q1 FY2025.

**Manufacturing**

The manufacturing division's revenue in Q2 FY2025 declined by 1% and PBT declined by 43% compared to Q1 FY2025. The decline in profitability was primarily driven by a shift towards a lower-margin sales mix during the period. Additionally, intensified competitive pricing pressures and changes in product mix further compressed profit margins, limiting overall profitability.

**Property Development**

The property division recorded a 9% increase in revenue and a 16% improvement in PBT compared to the previous quarter, though it remained in a loss making position. The loss was primarily due to lower sales conversion for the Langkawi project. Additionally, an affordable housing project remains in the early stages of construction, generating minimal revenue that was insufficient to offset fixed overhead costs during the period.



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**B. Additional information required by the Listing Requirements of Bursa Securities**

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**2. Comparison with preceding quarter's results (cont'd)**

**Pharmaceutical & Healthcare**

The division recorded a 31% decline in revenue and a 54% reduction in PBT margin compared to Q1 FY2025. The decline was mainly attributed to lower wholesale product sales and intensified market competition, where pricing pressures remained high as the division focused on strengthening its market position. While this strategy led to a temporary compression in profit margins, it was a necessary step to drive sales volume, enhance brand presence, and cultivate long-term customer loyalty, which is expected to support future growth.

**Asset and Investment Management**

The Asset and Investment Management segment reported a 24% decline in revenue, while PBT increased by 16% compared to the previous quarter. The increase in profitability was primarily driven by dividend income received from subsidiary companies under the investment management division.

Despite the improvement in PBT, the asset management division experienced a slight decline in occupancy rates for its hospitality management services in Langkawi, leading to lower revenue and margin compression. This decline partially offset the overall profitability of the segment.

**3. Commentary on the prospects of the Group**

**Manufacturing**

Management anticipates a gradual improvement in the manufacturing division, with sales orders expected to show a modest increase in FY2025, overall performance remains stable, with signs of slight improvement on a year-over-year basis.

The recovery is expected to be supported by stable demand in key markets and ongoing efforts to strengthen operational efficiency. In addition to maintaining a strong presence in the E&E industry, the division is strategically positioning itself for expansion into the Electronics Manufacturing Services (EMS) sector, tapping into new opportunities for growth.

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**B. Additional information required by the Listing Requirements of Bursa Securities**

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**3. Commentary on the prospects of the Group (cont'd)**

**Property Development**

Management maintains a positive outlook for the division's performance in FY2025, supported by infrastructure developments, government initiatives and a resurgence in tourism, which is likely to strengthen the property markets in both Langkawi and Penang Island.

Additionally, new product launches will be carefully timed and tailored to evolving buyer preferences, ensuring alignment with market demand while mitigating risks. At the same time, the division will continue to refine its risk management strategies and cost control measures to sustain profitability and long-term growth.

**Pharmaceutical & Healthcare**

Management expects sustained demand for pharmaceutical and healthcare products, driven by rising health awareness and preventive care trends. However, inflationary pressures and higher living costs may impact consumer spending.

To mitigate these challenges, the division will expand its product portfolio, explore new markets, and enhance cost efficiencies to strengthen competitiveness. While the outlook for FY2025 remains cautiously optimistic, the division will closely monitor market conditions and adapt strategies to ensure long-term profitability.

**4. Variance on forecast profit/profit guarantee**

No profit forecast or profit guarantee was issued during the period.

**B. Additional information required by the Listing Requirements of Bursa Securities****5. Profit for the period**

	Current quarter 31.12.2024 RM'000	Cumulative period 31.12.2024 RM'000
<b><u>Group</u></b>		
Profit for the period is arrived at after (crediting)/charging of : -		
Depreciation of property, plant and equipment	4,014	7,957
Depreciation of right-of-use assets	898	1,791
Depreciation of investment properties	80	159
Amortisation of intangible assets	53	204
Interest expenses	1,159	2,365
Lease expenses	98	188
Loss on foreign exchange	562	266
Amortisation of deferred income on government grants	(8)	(16)
Gain on disposal of property, plant & equipment	-	8
Interest income	<u>(344)</u>	<u>(662)</u>

Save as disclosed above, other items as required under Appendix 9B, Part A(16) of the Bursa Listing Requirements are not applicable.

**6. Taxation**

Taxation comprises the following:-

	<b><u>CURRENT/CUMULATIVE QUARTER</u></b>			
	Current Year quarter ended 31.12.2024 RM'000	Preceding year corresponding quarter 31.12.2023 RM'000	Current Year to date 31.12.2024 RM'000	Preceding corresponding year 31.12.2023 RM'000
Current tax	(930)	(2,982)	(4,056)	(5,342)
Deferred tax	(1,017)	267	(1,046)	400
	<u>(1,947)</u>	<u>(2,715)</u>	<u>(5,102)</u>	<u>(4,942)</u>

The effective tax rates for the current quarter are higher than the statutory tax rate mainly due to the losses of certain subsidiaries cannot be set off against taxable profits made by other subsidiaries.

**7. Status of corporate proposals**

There were no other corporate proposals announced as at the date of this interim report but pending completion.

**B. Additional information required by the Listing Requirements of Bursa Securities****8. Status of Utilisation of Proceeds Raised from the Private Placement**

The status of utilization of proceeds raised from the Private Placement during the financial period ended 31 December 24 is as follow:-

	Purpose	Proceeds from 1st Tranche (RM'000)	Actual Utilisation (1st Tranche) (RM'000)	Balance Unutilised (1st Tranche) (RM'000)	Estimated timeframe for utilisation
1	Setting up new aluminium manufacturing plant for the Group's manufacturing division	59,995	-39,257	20,738	Extended to Feruary 2026
2	Partial repayment of bank borrowings	50,000	-50,000	0	
3	Estimated expenses in relation to the Proposed Private Placement	450	-450	0	
	Total	110,445	-89,707	20,738	

**9. Group borrowings and debts securities**

	31.12.2024 RM'000	31.12.2023 RM'000
<b>Secured :-</b>		
Term loans	36,160	41,465
Revolving credit	57,442	30,943
Bank overdraft	9,965	16,280
<b>Unsecured :-</b>		
Revolving credit	6,920	10,974
Banker's Acceptance	8,686	4,676
	<b>119,173</b>	<b>104,338</b>
<b>Disclosed as : -</b>		
Current liabilities	88,841	68,499
Non-current liabilities	30,332	35,839
	<b>119,173</b>	<b>104,338</b>
<b>Currency Profile : -</b>		
Ringgit Malaysia	99,292	94,726
US Dollar	19,881	9,612
	<b>119,173</b>	<b>104,338</b>

Secured term loans are secured against certain freehold and leasehold land, property and plant and equipment of the Group. The effective interest rate of loans and borrowings as at 31 December 2024 ranged from 3.30% to 6.80% per annum (31.12.2024: 3.30% to 6.80%).

**B. Additional information required by the Listing Requirements of Bursa Securities****10. Gain and losses arising from Fair Value Changes of Financial Liabilities**

There were no gain and losses arising from fair value changes of financial liabilities for current quarter.

**11. Material litigation**

In reference to the litigation case from the previous quarter, there was no significant pending legal matters as of the date of this interim report.

**12. Dividend**

The Board of Directors does not recommends any dividend for the financial quarter ended 31 December 2024 (31.12.2023 : Nil).

**13. Earnings Per Share ("EPS")**

	INDIVIDUAL		CUMULATIVE PERIOD	
	Current Year quarter ended 31/12/2024 RM '000	Preceding Year Corresponding quarter 31/12/2023 RM '000	Current Year todate 31/12/2024 RM '000	Preceding Year Corresponding period 31/12/2023 RM '000
Profit attributable to ordinary equity holders of the Parent	4,155	3,069	9,466	4,597
Weighted average number of ordinary shares in issue ('000)	320,181	320,181	320,181	320,181
Basic earnings per share (sen)	1.30	0.96	2.96	1.44

Diluted earnings per share are not disclosed herein as it is not applicable to the Group.