
A. Notes to the financial report for the third financial quarter ended 31 March 2025

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.

A. Notes to the financial report for the third financial quarter ended 31 March 2025

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 March 2025.

7. Dividend Paid

There were no dividend paid for the quarter under review. (31.03.2025 : 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 third financial quarter ended 31 March 2025**8. Segment Information (cont'd)**

Period ended 31.3.2025	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	164,235	14,925	57,559	20,302	323	-	257,344
Intersegment revenue	16,236	1,029	-	26,863	6,961	(51,089)	-
Interest income	675	78	187	1,362	8	(1,317)	993
Interest expense	1,909	2,125	592	1,899	6	(1,893)	4,638
Depreciation and amortisation	14,762	136	1,023	2,632	153	(3,540)	15,166
Tax expense	5,005	1	782	1,376	1	(24)	7,141
Reportable segment profit after taxation	6,647	(1,548)	1,661	22,622	502	(23,450)	6,434
Reportable segment assets	268,841	188,270	58,455	437,525	19,591	(355,087)	617,595
Expenditure for non-current assets	7,856	27	66	569	80	(125)	8,473
Reportable segment liabilities	123,564	77,954	30,634	69,291	594	(86,627)	215,410

A. Notes to the financial report for the third financial quarter ended 31 March 2025**8. Segment Information (cont'd)**

Period ended 31.3.2024	Manufacturing	Property Development	Pharmaceutical	Asset and Investment Management	Other Operating Segments	Eliminations	Total
	RM'000	RM'000	RM'000	RM'001	RM'000	RM'000	RM'000
Revenue from external customer	148,096	16,855	59,313	13,014	525	-	237,803
Intersegment revenue	11,172	2,049	10,456	28,832	6,162	(58,671)	-
Interest income	652	3	147	1,902	15	(2,362)	357
Interest expense	1,464	2,426	41	2,156	-	(2,478)	3,609
Depreciation and amortisation	12,952	152	663	2,655	133	(3,995)	12,560
Tax expense	5,540	-	1,503	908	4	(11)	7,944
Reportable segment profit after taxation	5,811	(116)	4,062	21,622	801	(23,811)	8,369
Reportable segment assets	258,492	186,549	75,045	485,059	20,765	(429,286)	596,624
Expenditure for non-current assets	5,010	11	67	436	2	-	5,526
Reportable segment liabilities	103,213	74,108	39,078	82,156	800	(99,232)	200,123

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:

	31.03.2025 RM'000	31.03.2024 RM'000
Malaysia	202,666	203,722
Singapore	22,652	6,810
United States of America	15,789	16,362
Others	16,237	10,909
	257,344	237,803

Information about major customer

There was no customer who contributed more than 10% of the Group's total revenues for the period under review (31.03.2024: Nil).

A. Notes to the financial report for the third financial quarter ended 31 March 2025

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 March 2025.

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 RM92 million has been utilized as at 31 March 2025.

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 March 2025.

14. Capital Commitments

Authorised capital commitments not recognised in the interim financial statement as at 31 March 2025 were as follows: -

	31.03.2025	30.03.2024
	RM'000	RM'000
Contracted but not provided for :-		
Property, Plant and Equipment	519	2,463

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

<u>Operating Segment</u>	<u>CURRENT/CUMULATIVE QUARTER</u>			<u>CUMULATIVE PERIOD</u>		
	Current quarter ended 31.03.2025 RM'000	Preceding year corresponding quarter 31.03.2024 RM'000	Var %	Current Year to date 31.03.2025 RM'000	Preceding year 31.03.2024 RM'000	Var %
Revenue:-						
Manufacturing	51,637	56,129	-8%	164,235	148,096	11%
Property Development	6,472	7,205	-10%	14,925	16,855	-11%
Pharmaceutical	16,769	18,341	-9%	57,559	59,313	-3%
Asset and Investment Management	6,454	5,857	10%	20,302	13,014	56%
Other operating segments	104	257	-60%	323	525	-38%
	81,436	87,789	-7%	257,344	237,803	8%
Profit before tax:-						
Manufacturing	1,752	5,852	-70%	11,652	11,351	3%
Property Development	(314)	687	-146%	(1,547)	(116)	-1234%
Pharmaceutical	(1,490)	667	-323%	2,443	5,565	-56%
Asset and Investment Management	10,253	6,969	47%	23,998	22,530	7%
Other operating segments	(53)	409	-113%	503	805	-38%
	10,148	14,584		37,049	40,135	
Consolidation adjustments and eliminations	(9,901)	(6,934)		(23,474)	(23,822)	
	247	7,650	-97%	13,575	16,313	-17%

Statement of Profit & Loss and Other Comprehensive Income

The Group reported revenue of RM81.4 million and profit before tax ("PBT") of RM0.25 million for the current quarter, 7% decrease in revenue and a 97% decline in PBT compared to the corresponding quarter of the previous year.

For current YTD, revenue reported a increase of 8% at RM257 million however PBT declined by 17% to RM13.6 million compared to preceding year's corresponding period.

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

1. Review of performance (cont'd)

1.1 Segmental Analysis

Manufacturing

The Group recorded a decline of 8% in revenue and 70% in PBT compared to the corresponding quarter of the previous year. This was primarily due to a shift in sales towards a lower-margin product mix and subdued market demand for higher-margin products during the period. Additionally, intensified pricing competition and changes in the overall product mix further compressed profit margins, thereby impacting the Group's overall profitability.

Property Development

The property division recorded a 10% decline in revenue and 146% in PBT 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 ongoing of an affordable housing project contributed modest revenue, which remained insufficient to offset fixed overhead costs during the period.

Pharmaceutical & Healthcare

The pharmaceutical and healthcare products division recorded a 9% decline in revenue and a 323% drop in PBT compared to the corresponding quarter of the previous year. The decline was mainly due to strategic price adjustments to maintain market share amid intensified retail competition, coupled with regulatory price pressures and higher logistics costs, which compressed margins and affected overall profitability.

Asset and Investment Management

The asset management division recorded a 10% increase in revenue and a 47% increase in PBT compared to the corresponding quarter of the previous year, primarily driven by stronger performance in the hospitality segment, which contributed to higher income and improved profitability.

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**

	Current Year quarter ended 31.03.2025 RM'000	Preceding quarter ended 31.12.2024 RM'000	Var %
<u>Operating Segment</u>			
Revenue:-			
Manufacturing	51,637	56,008	-8%
Property Development	6,472	4,413	47%
Pharmaceutical	16,769	16,643	1%
Asset and Investment Management	6,454	5,977	8%
Other operating segments	104	49	112%
	81,436	83,090	-2%
Profit before tax:-			
Manufacturing	1,752	3,610	-51%
Property Development	(314)	(562)	44%
Pharmaceutical	(1,490)	1,238	-220%
Asset and Investment Management	10,253	7,389	39%
Other operating segments	(53)	470	-111%
	10,148	12,145	
Consolidation adjustments and eliminations	(9,901)	(7,045)	
	247	5,100	-95%

The Group's reported revenue of RM81.40 million and PBT of RM0.25 million, representing a decrease of 2% in revenue and 95% in PBT as compared to Q2 FY2025.

Manufacturing

The manufacturing division's revenue in Q3 FY2025 declined by 8%, while PBT declined by 51% compared to Q2 FY2025. The weaker performance was primarily attributed to a shift towards a lower-margin sales mix during the quarter. In addition, intensified competitive pricing and unfavorable changes in product mix further compressed margins, resulting in a significant decline in profitability. The absence of higher-margin orders that were fulfilled in the previous quarter also contributed to the quarter-on-quarter decline.

Property Development

The property division recorded a 47% increase in revenue and a 44% improvement in PBT compared to the previous quarter, although it remained in a loss-making position. The loss was primarily due to lower sales conversion for the Langkawi project. Additionally, the ongoing affordable housing project generated minimal margin, which was insufficient to offset the fixed overhead costs during the period.

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

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

Pharmaceutical & Healthcare

The division recorded a modest 1% increase in revenue and a 220% reduction in PBT margin compared to Q2 FY2025. The decline in profitability was primarily driven by lower wholesale product sales and heightened market competition, which led to ongoing pricing pressures. The division's strategic focus during the quarter was to prioritize long-term market positioning over immediate profitability, investing in strengthening brand presence and customer loyalty. While these efforts temporarily compressed profit margins, they are expected to yield positive results in the coming quarters by driving sales volume and supporting sustainable growth.

Asset and Investment Management

The Asset and Investment Management segment recorded an 8% increase in revenue and a 39% increase in PBT compared to the previous quarter. This improvement was largely driven by higher occupancy rates for the hospitality management services in Langkawi, which positively impacted profitability. While the associated operational costs did affect margins, the continued success in the hospitality sector was the primary driver of the segment's overall revenue growth and stronger profitability this quarter.

3. Commentary on the prospects of the Group

Manufacturing

While the manufacturing division experienced a decline in revenue and profitability during the current quarter, management remains optimistic about a gradual improvement in the coming months. The division expects sales orders to show a modest increase in FY2025, supported by stable demand in key markets and continued efforts to enhance operational efficiency.

Although the recovery may be gradual, the division is well-positioned for a rebound, driven by a strong presence in the Electrical and Electronics (E&E) industry and ongoing strategic initiatives to diversify into the Contract Manufacturing sector. These efforts, combined with investments in advanced manufacturing technologies, are expected to drive long-term growth and stabilize performance on a year-over-year basis.

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

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

Property Development

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

Looking ahead, new product launches will be strategically timed and tailored to align with shifting buyer preferences, ensuring responsiveness to market demand while managing associated risks. Concurrently, the division will continue to strengthen its risk management practices and implement disciplined cost control measures to preserve profitability and support long-term sustainable growth.

Pharmaceutical & Healthcare

Management anticipates sustained demand for pharmaceutical and healthcare products, supported by increasing health awareness, a growing focus on preventive care, and an ageing population. Nonetheless, inflationary pressures and higher living costs may affect consumer spending patterns in the near term.

To address these challenges, the division will continue to broaden its product portfolio, explore underpenetrated market segments, and pursue operational efficiencies to enhance cost competitiveness. In addition, the Group is actively exploring high-margin niche medical products to strengthen future earnings potential and differentiate itself in a competitive market. Digital marketing and customer engagement strategies will also be enhanced to reinforce brand positioning. The outlook for the remaining quarter of FY2025 remains challenging, the division will remain agile and responsive to evolving market conditions to support long-term sustainable growth.

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 31.03.2025	Cumulative period 31.03.2025
<u>Group</u>	RM'000	RM'000
Profit for the period is arrived at after (crediting)/charging of :-		
Depreciation of property, plant and equipment	4,001	11,958
Depreciation of right-of-use assets	871	2,662
Depreciation of investment properties	80	239
Amortisation of intangible assets	103	307
Interest expenses	2,024	4,389
Lease expenses	61	249
(Gain)/Loss on foreign exchange	(116)	150
Amortisation of deferred income on government grants	(8)	(24)
Loss on disposal of property, plant & equipment	-	8
Interest income	<u>(331)</u>	<u>(993)</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:-

	<u>CURRENT/CUMULATIVE QUARTER</u>			
	Current Year quarter ended 31.03.2025 RM'000	Preceding year corresponding quarter 31.03.2024 RM'000	Current Year todate 31.03.2025 RM'000	Preceding corresponding year 31.03.2024 RM'000
Current tax	(3,278)	(3,151)	(7,334)	(8,493)
Deferred tax	1,239	149	193	549
	<u>(2,039)</u>	<u>(3,002)</u>	<u>(7,141)</u>	<u>(7,944)</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 March 25 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 February 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

	31.03.2025	31.03.2024
	RM'000	RM'000
Secured :-		
Term loans	40,191	39,755
Revolving credit	65,141	42,134
Bank overdraft	10,690	20,568
Unsecured :-		
Revolving credit	6,536	10,212
Banker's Acceptance	8,480	5,399
	131,038	118,068
Disclosed as : -		
Current liabilities	96,187	83,256
Non-current liabilities	34,851	34,812
	131,038	118,068
Currency Profile : -		
Ringgit Malaysia	103,380	101,031
US Dollar	27,658	17,037
	131,038	118,068

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 March 2025 ranged from 3.30% to 6.80% per annum (31.03.2024: 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 March 2025 (31.03.2024 : Nil).

13. Earnings Per Share ("EPS")

	INDIVIDUAL		CUMULATIVE PERIOD	
	Current Year quarter ended 31/03/2025 RM '000	Preceding Year Corresponding quarter 31/03/2024 RM '000	Current Year todate 31/03/2025 RM '000	Preceding Year Corresponding period 31/03/2024 RM '000
Profit attributable to ordinary equity holders of the Parent	705	5,484	10,171	10,081
Weighted average number of ordinary shares in issue ('000)	320,181	320,181	320,181	320,181
Basic earnings per share (sen)	0.22	1.71	3.18	3.15

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