



SALCON BERHAD (Company No: 593796-T)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 31 MARCH 2022 - UNAUDITED**

	31/03/2022 RM'000	31/12/2021 RM'000
Assets		
Property, plant and equipment	62,224	53,971
Right-of-use assets	11,941	11,733
Intangible assets	43,629	43,803
Investment properties	9,840	10,547
Investment in associate	17,016	16,963
Investment in joint ventures	43,052	41,490
Inventories	108,831	108,831
Other investments	9,220	4,901
Deferred tax assets	1,410	1,410
Trade and other receivables	9,809	9,859
Total non-current assets	<u>316,972</u>	<u>303,508</u>
Trade and other receivables	120,700	141,755
Contract assets	43,285	49,937
Inventories	12,499	12,961
Other investment	25,138	27,074
Current tax assets	3,007	2,777
Assets classified as held for sale	3,124	2,712
Cash and cash equivalents	114,070	120,536
Total current assets	<u>321,823</u>	<u>357,752</u>
Total assets	<u><u>638,795</u></u>	<u><u>661,260</u></u>
Equity		
Share capital	458,276	458,276
Reserves	986	3,389
Accumulated losses	(9,409)	(6,831)
Total equity attributable to owners of the Company	<u>449,853</u>	<u>454,834</u>
Non-controlling interests	<u>38,536</u>	<u>39,595</u>
Total equity	<u><u>488,389</u></u>	<u><u>494,429</u></u>
Liabilities		
Loans and borrowings	6,922	9,410
Lease liabilities	675	677
Deferred tax liabilities	13,642	12,322
Total non-current liabilities	<u>21,239</u>	<u>22,409</u>
Trade and other payables	102,339	102,849
Contract liabilities	623	4,482
Lease liabilities	1,662	1,967
Loans and borrowings	20,791	30,022
Current tax liabilities	3,752	5,102
Total current liabilities	<u>129,167</u>	<u>144,422</u>
Total liabilities	<u><u>150,406</u></u>	<u><u>166,831</u></u>
Total equity and liabilities	<u><u>638,795</u></u>	<u><u>661,260</u></u>
Net assets per share (RM)	0.44	0.45

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 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 2022 – UNAUDITED**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year ToDate	Preceding Year Corresponding Period
	31/03/2022 RM'000	31/03/2021 RM'000	31/03/2022 RM'000	31/03/2021 RM'000
Revenue	47,503	42,306	47,503	42,306
Cost of sales	(42,977)	(35,228)	(42,977)	(35,228)
Gross Profit	4,526	7,078	4,526	7,078
Other income	1,272	2,968	1,272	2,968
Other expenses	(743)	(1,483)	(743)	(1,483)
Distribution expenses	(289)	(186)	(289)	(186)
Administrative expenses	(9,631)	(7,845)	(9,631)	(7,845)
Profit/(Loss) from operating activities	(4,865)	532	(4,865)	532
Finance costs	(700)	(757)	(700)	(757)
Finance income	98	365	98	365
Share of profit/(loss) of equity-accounted associate/ joint ventures, net of tax	1,614	228	1,614	228
Profit/(Loss) before tax	(3,853)	368	(3,853)	368
Tax expense	216	(538)	216	(538)
Profit/(Loss) for the period	(3,637)	(170)	(3,637)	(170)
Profit/(Loss) attributable to:				
Owners of the Company	(2,578)	(801)	(2,578)	(801)
Non-controlling interests	(1,059)	631	(1,059)	631
Profit/(Loss) for the period	(3,637)	(170)	(3,637)	(170)
Basic (loss)/earnings per ordinary share (sen)	(0.27)	(0.08)	(0.27)	(0.08)

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 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 2022 – UNAUDITED**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year ToDate	Preceding Year Corresponding Period
	31/03/2022 RM'000	31/03/2021 RM'000	31/03/2022 RM'000	31/03/2021 RM'000
Profit/(Loss) for the period	(3,637)	(170)	(3,637)	(170)
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	(460)	1,596	(460)	1,596
Total other comprehensive income/(expense)	(460)	1,596	(460)	1,596
Total comprehensive income/(expense) for the period	(4,097)	1,426	(4,097)	1,426
Total comprehensive income/(expense) attributable to:				
Owners of the Company	(3,038)	795	(3,038)	795
Non-controlling interests	(1,059)	631	(1,059)	631
Total comprehensive income/(expense) for the period	(4,097)	1,426	(4,097)	1,426

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 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 2022 – UNAUDITED**

	← Attributable to Owners of the Company →				Total	Non- controlling interests	Total equity
	← Non – distributable →		Distributable				
	Share capital	Translation reserve	Treasury shares	Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2021	458,276	7,372	(3,349)	(16,785)	445,514	22,249	467,763
Total comprehensive income for the period	-	1,596	-	(801)	795	631	1,426
Own shares acquired	-	-	(880)	-	(880)	-	(880)
Allotment of additional shares	-	-	-	-	-	82	82
Acquisition of subsidiaries	-	-	-	-	-	10,771	10,771
At 31 March 2021	458,276	8,968	(4,229)	(17,586)	445,429	33,733	479,162
At 1 January 2022	458,276	7,133	(3,744)	(6,831)	454,834	39,595	494,429
Total comprehensive income for the period	-	(460)	-	(2,578)	(3,038)	(1,059)	(4,097)
Own shares acquired	-	-	(1,943)	-	(1,943)	-	(1,943)
At 31 March 2022	458,276	6,673	(5,687)	(9,409)	449,853	38,536	488,389

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



SALCON BERHAD (Company No: 593796-T)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2022 - UNAUDITED**

	3 months Ended 31/03/2022 RM'000	3 months Ended 31/03/2021 RM'000
<u>Cash flows from operating activities</u>		
Profit/(Loss) before tax	(3,853)	368
Adjustments for :		
- Non-cash items	9	(97)
- Non-operating items	602	392
Operating loss before changes in working capital	<u>(3,242)</u>	663
Changes in working capital	24,702	12,550
Cash generated from/(used in) operations	21,460	13,213
Interest paid	(76)	(160)
Income taxes paid	(44)	(755)
Net cash from/(used in) operating activities	<u>21,340</u>	<u>12,298</u>
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of property, plant and equipment	-	57
- Proceeds from disposal of right-of-use assets	-	35
- Proceeds from disposal of investment properties	217	-
- Proceeds from disposal of other investments	-	1,884
- Acquisition of other investments	(27,509)	(3,101)
- Acquisition of property, plant and equipment	(9,670)	(4,016)
- Acquisition of investment properties	-	-
- Acquisition of subsidiaries, net of cash acquired	-	(20,226)
- Reinvestment of distribution income from Fund Investments	(64)	-
- Redemption of investments from Fund Investments	24,500	-
- Dividends received from :		
- Other investments	25	6
- Interest received	98	365
Net cash from/(used in) investing activities	<u>(12,403)</u>	<u>(24,996)</u>
<u>Cash flows from financing activities</u>		
- Repurchase of treasury shares	(1,943)	(880)
- Drawdown from borrowings	18	3,496
- Interest paid	(624)	(597)
- Repayment of borrowings	(11,576)	(8,282)
- Repayment of lease liabilities	(432)	(284)
- Repayment of finance lease liabilities	(706)	(788)
Net cash from/(used in) financing activities	<u>(15,263)</u>	<u>(7,335)</u>
Net increase/(decrease) in cash and cash equivalents	(6,326)	(20,033)
Cash and cash equivalents at beginning of period	120,495	142,076
Exchange differences on translation of the financial statements of foreign entities	(307)	1,263
Cash and cash equivalents at end of period	<u>113,862</u>	<u>123,306</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2022 – UNAUDITED**

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

	3 months Ended 31/03/2022 RM'000	3 months Ended 31/03/2021 RM'000
Cash and bank balances	81,522	91,666
Deposits placed with licensed banks	32,548	33,369
	114,070	125,035
Bank overdrafts	(178)	(1,699)
Pledged deposits	(30)	(30)
	113,862	123,306
Less: Amount placed with debts service reserve accounts	-	-
	113,862	123,306

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

(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 2021 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 2021. The audited financial statements of the Group as at and for the year ended 31 December 2021 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 2021 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 2022.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)**

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*



- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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 2022 for those amendments that are effective for annual periods beginning on or after 1 April 2021 and 1 January 2022, except for Amendments to MFRS 1 and Amendments to MFRS 141 which are not applicable to the Group and the Company.
- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and Amendments to MFRS 17 which are not applicable to the Group and the Company.

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 2021 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 2022.

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 2022 other than:

a) Share buy-back

The Company repurchased 8,018,800 ordinary shares of its issued share capital from the open market, at an average costs of RM0.24 per share. The total consideration paid for the share buy-back including transaction costs during the current financial quarter and financial period to date amounted to RM1,943,000 and were financed by internally generated funds. The shares bought back are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

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7. Segmental Reporting

The segmental revenue and results of the Group for the quarter ended 31 March 2022 are as follows:-

	Constructions RM'000	Healthcare RM'000	Trading & Services RM'000	Property Development RM'000	Consolidated RM'000
Segment profit	(2,206)	(634)	2,884	(292)	(248)
<i>Included in the measure of segment profit are:</i>					
Revenue from external customers	24,681	18,542	4,280	-	47,503
Share of profit of associate	-	-	52	-	52
Share of profit of joint venture	50	-	1,512	-	1,562
<i>Not included in the measure of segment profit but provided to CODM:</i>					
Depreciation and amortization	(259)	(643)	(610)	-	(1,512)
Finance costs	(164)	(159)	(77)	(300)	(700)
Finance income	94	-	-	4	98
Income tax expense	-	406	(133)	(57)	216
Segment assets	316,098	118,600	94,915	109,182	638,795
<i>Included in the measure of segment assets are:</i>					
Investment in associate	-	-	17,016	-	17,016
Investment in joint venture	21,959	-	21,093	-	43,052
Additions to non-current assets other than financial instruments and deferred tax assets	47	8,949	540	-	9,536



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

	RM'000
Profit	
Total profit or loss for reportable segments	(248)
Depreciation and amortisation	(1,512)
Finance costs	(700)
Finance income	98
Unrealised/ realised foreign exchange gain/(loss)	337
Unallocated expenses:	
Corporate expenses	(1,828)
Consolidated profit/(loss) before tax	<u>25,532</u>

8. Valuations of Property, Plant and Equipment

There was no revaluation of property, plant and equipment during the cumulative quarter ended 31 March 2022. 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 19 May 2022 (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 2022 are as follows:-

	RM'000
Bank guarantees given to third parties relating to performance, tenders and advance payment bonds	<u>43,842</u>

12. Net assets (NA) per share

The NA per share is derived as follows:-

	RM'000
Shareholders funds	449,853
No. of shares	<u>1,012,413</u>
NA per share (RM)	<u>0.44</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 31/03/2022 RM'000	Cumulative Quarter To-date 31/03/2022 RM'000
Continuing operations		
Malaysian - current period	271	271
- prior years	<u>(487)</u>	<u>(487)</u>
	<u><u>(216)</u></u>	<u><u>(216)</u></u>

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 mainly due to tax over provided for prior years.

2. Status of Corporate Proposals

There were no corporate proposals announced as at 19 May 2022 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

3. Group Borrowings and Debt Securities

Total Group borrowings as at 31 March 2022 are as follows:

	As at 1st quarter ended 2022		
	Long term	Short term	Total borrowings
	RM'000 denomination	RM'000 denomination	RM'000 denomination
<u>Secured</u>			
Term loans	3,456	5,985	9,441
Finance lease liabilities	3,466	2,204	5,670
<u>Unsecured</u>			
Term loans	-	3,349	3,349
Bankers' Acceptance	-	4,075	4,075
Revolving Credits	-	5,000	5,000
Bank overdrafts	-	178	178
	<u>6,922</u>	<u>20,791</u>	<u>27,713</u>



SALCON BERHAD (Company No: 593796-T)

	As at 1st quarter ended 2021		
	Long term	Short term	Total borrowings
	RM'000 denomination	RM'000 denomination	RM'000 denomination
Secured			
<i>Term loans</i>	13,067	179	13,246
<i>Finance lease liabilities</i>	3,687	2,420	6,107
Unsecured			
<i>Invoice Financing</i>	-	9,687	9,687
<i>Bankers' Acceptance</i>	-	7,894	7,894
<i>Bank overdrafts</i>	-	1,669	1,669
	16,754	21,879	38,633

For the year to-date financial quarter under review, the Group has recorded borrowings of RM27.71 million as compared to RM38.63 million for corresponding period in the immediate preceding year. The movement in the borrowings was substantially attributed by repayment of an invoice financing amounting to RM7.06 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 19 May 2022 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

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 %
	31/03/2022	31/12/2021	
Revenue	47,503	(89,591)	153%
Operating Profit/(Loss)	(4,865)	(3,687)	-32%
Profit/(Loss) Before Interest and Tax	(3,153)	(1,437)	-119%
Profit/(Loss) Before Tax	(3,853)	(4,669)	17%
Profit/(Loss) For The Period	(3,637)	(5,602)	35%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(2,578)	(4,896)	47%

For the current quarter, the Group recorded revenue of RM47.50 million and has recorded a loss before tax of RM3.85 million as compared to loss before tax of RM4.67 million in the immediate preceding quarter. Reclassification of revenue and cost of sales in the immediate preceding quarter which is due to agency fees has resulted a negative revenue of RM89.59 million.

The revenue recorded in the Constructions Division was lower by 12%, a decrease from RM27.95 million to RM24.66 million as compared to the immediate preceding quarter. The Division recorded



loss before tax of RM1.80 million in the current quarter as compared to profit before tax of RM5.91 million in the immediate preceding quarter due to lower gross profit margin in the current quarter.

The revenue recorded in the Healthcare Division was RM18.54 million in the current quarter. The Division recorded loss before tax of RM1.44 million in the current quarter as compared to loss before tax of RM481,000 in the immediate preceding quarter. The decrease in the profit before tax is mainly due to decline in average selling price.

In the Property Development Division, it recorded a lower loss before tax of RM588,000 in the current quarter as compared to loss before tax of RM719,000 in the immediate preceding quarter due to lower operating expenses in the current quarter.

For the Trading and Services Division, revenue decreased from RM4.55 million to RM4.28 million by 6%. The Division recorded profit before tax of RM2.14 million in the current quarter as compared to loss before tax of RM1.41 million in the immediate preceding quarter due to lower operating expenses in the current 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	
	31/03/2022	31/03/2021		31/03/2022	31/03/2021	
Revenue	47,503	42,306	12%	47,503	42,306	12%
Operating Profit/(Loss)	(4,865)	532	-1014%	(4,865)	532	-1014%
Profit/(Loss) Before Interest and Tax	(3,153)	1,125	-380%	(3,153)	1,125	-380%
Profit/(Loss) Before Tax	(3,853)	368	-1147%	(3,853)	368	-1147%
Profit/(Loss) For The Period	(3,637)	(170)	-2039%	(3,637)	(170)	-2039%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(2,578)	(801)	-222%	(2,578)	(801)	-222%

For the current year quarter under review, the Group achieved higher revenue amounting to RM47.50 million as compared to RM42.31 million for the preceding year corresponding quarter or an increase of 12%. Loss before taxation of RM3.85 million was recorded in the current year quarter as compared to profit before tax of RM368,000 in the preceding year corresponding quarter substantially attributed by the unrealised gain on foreign exchange in the preceding year corresponding quarter.

In the Constructions Division, revenue recorded in the current year quarter was higher by 9% as compared to the preceding year corresponding quarter. The Division recorded a loss before tax of RM1.80 million in the current year quarter as compared to loss before tax of RM199,000 in the preceding year corresponding quarter due to lower gross profit margin in the current year quarter.

In the Healthcare Division, revenue increased from RM15.50 million to RM18.54 million by 20% as compared to the preceding year corresponding quarter. The Division recorded a loss before tax of RM1.44 million in the current year quarter as compared to profit before tax of RM2.25 million in the preceding year corresponding quarter due to decline in average selling price.



The Property Development Division has recorded a loss before tax of RM588,000 in the current year quarter as compared to loss before tax of RM1.04 million in the preceding year corresponding quarter due to higher discount given in the preceding year corresponding quarter.

In the Trading and Services Division, revenue increased from RM2.52 million to RM4.28 million by 70% as compared to the preceding year corresponding quarter. The Division recorded a profit before tax of RM2.14 million in the current year quarter as compared to loss before tax of RM107,000 in the preceding year corresponding quarter due to higher contributions from share of profit from joint venture in the current year quarter.

7. Prospects

In the Engineering & Construction division, whilst there have been some delays in the first quarter of the year, construction activities have since picked up pace and is expected to improve in the coming quarters. Further, the Group has tendered for RM3.87 billion worth of contracts in Malaysia and overseas and is optimistic of replenishing its order books based on our experience and good track record. With the easing of travel restrictions post-Covid, the Group has also reached out to re-connect with and re-commence business development activities in our traditional overseas markets in Sri Lanka and Vietnam.

As for prospects in the Healthcare Division, the Malaysian Rubber Glove Manufacturers Association (Margma) expects global demand for rubber gloves in 2022 to remain resilient with an annual year-on-year growth of between 12% and 15%. On the flip side, glove prices had fallen closer to pre-Covid levels, with the current ASP being US\$25-35 per thousand pieces compared to the pre-pandemic ASP of US\$21 per thousand pieces. Nevertheless, the Group has taken proactive measures by maintaining effective cost-control measures and ensuring operational efficiency in its production processes through investments in automation to improve overall productivity. Besides this, the division also invests in R&D to develop new glove products, enhance quality and function with a view of higher margins to expand the division's income stream.

Both Technology Services Division and Transportation Division are contributing positive and recurrent income to the Group's performance.

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 2022, 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 share

	Current Quarter Ended 31/03/2022	Comparative Quarter Ended 31/03/2021	Cumulative Quarter To-date	
			31/03/2022	31/03/2021
Profit/(Loss) attributable to equity holders of the parent (RM'000)	(2,578)	(801)	(2,578)	(801)
<u>Weighted average number of ordinary shares</u>				
Issued ordinary shares at beginning of period ('000)	955,376	992,227	955,376	992,227
Effect of shares repurchased during the period ('000)	(4,661)	(2,009)	(4,661)	(2,009)
Weighted average number of ordinary shares ('000)	950,715	990,218	950,715	990,218
Basic (loss)/earnings per share (sen)	(0.27)	(0.08)	(0.27)	(0.08)

11. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Current Quarter Ended 31/03/2022 RM'000	Cumulative Quarter Ended 31/03/2022 RM'000
Net realised foreign exchange gain/(loss)	(1)	(1)
Net unrealised foreign exchange gain/(loss)	338	338
Depreciation and amortization	(1,512)	(1,512)
	<u>(1,175)</u>	<u>(1,175)</u>



SALCON BERHAD (Company No: 593796-T)

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 26 May 2022.

ON BEHALF OF THE BOARD

TAN SRI DATO' TEE TIAM LEE
Executive Deputy Chairman

Selangor Darul Ehsan
26 May 2022