



SALCON BERHAD [200201026133 (593796-T)]

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

	31/12/2024	31/12/2023
	RM'000	RM'000
Assets		
Property, plant and equipment	54,679	43,903
Right-of-use assets	21,653	14,690
Intangible assets	30,561	23,015
Investment properties	8,057	8,060
Investment in associate	-	-
Investment in joint ventures	26,225	29,664
Other investments	54,855	37,783
Deferred tax assets	13,342	12,720
Trade and other receivables	16,959	17,816
Total non-current assets	226,331	187,651
Trade and other receivables	42,734	44,244
Contract assets	100,170	59,189
Inventories	115,434	113,002
Other investment	7,925	11,239
Current tax assets	3,399	4,017
Assets classified as held for sale	445	445
Cash and cash equivalents	156,137	155,793
Total current assets	426,244	387,929
Total assets	652,575	575,580
Equity		
Ordinary share capital	465,184	458,276
Reserves	(7,071)	(6,418)
Accumulated losses	(46,326)	(62,783)
Total equity attributable to owners of the Company	411,787	389,075
Non-controlling interests	9,225	7,520
Total equity	421,012	396,595
Liabilities		
Trade and other payables	6,895	5,199
Loans and borrowings	15,007	15,360
Lease liabilities	8,657	4,099
Deferred tax liabilities	10,865	11,603
Total non-current liabilities	41,424	36,261
Trade and other payables	138,061	96,862
Contract liabilities	418	1,117
Lease liabilities	3,034	1,477
Loans and borrowings	48,245	42,974
Current tax liabilities	381	294
Total current liabilities	190,139	142,724
Total liabilities	231,563	178,985
Total equity and liabilities	652,575	575,580
Net assets per share (RM)	0.40	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 CUMULATIVE FOURTH QUARTER ENDED 31 DECEMBER 2024 – UNAUDITED**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year ToDate	Preceding Year Corresponding Period
	31/12/2024 RM'000	31/12/2023 RM'000	31/12/2024 RM'000	31/12/2023 RM'000
Revenue	84,175	52,885	298,729	154,610
Cost of sales	(69,551)	(54,516)	(263,752)	(147,020)
Gross Profit	14,624	(1,631)	34,977	7,590
Other income	13,757	23,896	31,291	35,284
Other expenses	(2,123)	(41,086)	(2,759)	(49,017)
Distribution expenses	(232)	(439)	(1,440)	(1,441)
Administrative expenses	(10,986)	(9,576)	(47,973)	(39,106)
Profit/(Loss) from operating activities	15,040	(28,836)	14,096	(46,690)
Finance costs	(1,694)	(1,003)	(4,649)	(3,283)
Finance income	928	1,125	4,153	3,952
Share of profit of equity-accounted associate/ joint ventures, net of tax	1,271	405	4,554	7,624
Profit/(loss) before tax	15,545	(28,309)	18,154	(38,397)
Tax expense	(96)	1,976	(587)	1,422
Profit/(Loss) for the period	15,449	(26,333)	17,567	(36,975)
Profit/(Loss) attributable to:				
Owners of the Company	13,333	(14,970)	16,457	(21,193)
Non-controlling interests	2,116	(11,363)	1,110	(15,782)
Profit/(Loss) for the period	15,449	(26,333)	17,567	(36,975)
Basic earnings/(loss) per ordinary share (sen)	1.29	(1.48)	1.61	(2.09)

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 CUMULATIVE FOURTH QUARTER ENDED 31 DECEMBER 2024 – UNAUDITED**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year ToDate	Preceding Year Corresponding Period
	31/12/2024 RM'000	31/12/2023 RM'000	31/12/2024 RM'000	31/12/2023 RM'000
Profit/(Loss) for the period	15,449	(26,333)	17,567	(36,975)
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	(1,697)	(12,022)	(653)	(10,683)
Total other comprehensive (expense)/income	(1,697)	(12,022)	(653)	(10,683)
Total comprehensive income/(expense) for the period	13,752	(38,355)	16,914	(47,658)
Total comprehensive income/(expense) attributable to:				
Owners of the Company	11,636	(26,992)	15,804	(31,876)
Non-controlling interests	2,116	(11,363)	1,110	(15,782)
Total comprehensive income/(expense) for the period	13,752	(38,355)	16,914	(47,658)

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 CUMULATIVE FOURTH QUARTER ENDED 31 DECEMBER 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	
At 1 January 2023	458,276	4,336	(826)	(36,755)	425,031	22,599	447,630
Total comprehensive expenses for the year	-	(10,683)	-	(21,193)	(31,876)	(15,782)	(47,658)
Own shares acquired	-	-	(4,085)	-	(4,085)	-	(4,085)
Changes in ownership interest in subsidiaries	-	-	-	5	5	485	490
Subscription of share by non- controlling interest	-	-	-	-	-	300	300
Dividends to owner of the company	-	-	4,840	(4,840)	-	-	-
Dividends to non-controlling interest	-	-	-	-	-	(82)	(82)
At 31 December 2023	458,276	(6,347)	(71)	(62,783)	389,075	7,520	396,595
At 1 January 2024	458,276	(6,347)	(71)	(62,783)	389,075	7,520	396,595
Total comprehensive income for the period	-	(653)	-	16,457	15,804	1,110	16,914
Acquisition of preference shares in a subsidiary	-	-	-	-	-	150	150
Issuance of shares - exercise of Warrants	6,908	-	-	-	6,908	-	6,908
Acquisition of subsidiaries	-	-	-	-	-	535	535
Dividends to Non-controlling interest	-	-	-	-	-	(90)	(90)
At 31 December 2024	465,184	(7,000)	(71)	(46,326)	411,787	9,225	421,012

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 CUMULATIVE FOURTH QUARTER ENDED 31 DECEMBER 2024 - UNAUDITED**

	12 months Ended 31/12/2024 RM'000	12 months Ended 31/12/2023 RM'000
<u>Cash flows from operating activities</u>		
Profit/(Loss) before tax	18,154	(38,397)
Adjustments for :		
- Non-cash items	(16,853)	26,346
- Non-operating items	421	(669)
Operating loss before changes in working capital	1,722	(12,720)
Changes in working capital	(1,130)	16,624
Cash (used in)/generated from operations	592	3,904
Interest paid	(1,439)	(1,771)
Income taxes paid	(1,171)	(111)
Net cash generated from/(used in) operating activities	(2,018)	2,022
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of property, plant and equipment	2,330	257
- Proceeds from disposal of other investments	15,693	6,584
- Proceeds from disposal of assets held for sale	-	1,662
- Net cash inflow from dilution of interest in subsidiaries	-	490
- Acquisition of preference shares in a subsidiary	150	-
- Acquisition of other investments	(9,198)	(30,630)
- Acquisition of property, plant and equipment	(9,123)	(3,984)
- Acquisition of the remaining interest from non-controlling interest	-	300
- Acquisition of subsidiaries, net of cash acquired	(8,293)	-
- Redemption of fund investments	3,314	(1,169)
- Placement of fund investments	-	(4,000)
- Redemption of preference shares	-	10,024
- Associates/joint ventures	8,000	15,260
- Other investments	76	599
- Interest received	4,153	3,952
Net cash from/(used in) investing activities	7,102	(655)
<u>Cash flows from financing activities</u>		
- Repurchase of treasury shares	-	(4,085)
- Proceed from exercise of warrants	6,908	-
- Drawdown from borrowings	2,579	37,029
- Interest paid	(3,136)	(1,512)
- Repayment of borrowings	(1,545)	(12,284)
- Dividends paid to non-controlling interests	(90)	-
- Repayment of lease liabilities	(353)	(1,528)
- Repayment of finance lease liabilities	(3,251)	(2,169)
Net cash from/(used in) financing activities	1,112	15,451
Net increase/(decrease) in cash and cash equivalents	6,196	16,818
Cash and cash equivalents at beginning of period	155,763	140,020
Exchange differences on translation of the financial statements of foreign entities	(5,852)	(1,075)
Cash and cash equivalents at end of period	156,107	155,763

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 CUMULATIVE FOURTH QUARTER ENDED 31 DECEMBER 2024 – UNAUDITED**

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

	12 months Ended 31/12/2024 RM'000	12 months Ended 31/12/2023 RM'000
Cash and bank balances	73,019	20,278
Deposits placed with licensed banks	83,118	135,515
	<u>156,137</u>	<u>155,793</u>
Bank overdrafts	-	-
Pledged deposits	(30)	(30)
	<u>156,107</u>	<u>155,763</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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE CUMULATIVE FOURTH QUARTER ENDED 31 DECEMBER 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 December 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 December 2024 other than:

a) Warrants

During the financial period, the Company has issued a total of 23,026,903 new ordinary shares pursuant to the exercise of Warrants 2018/2025 at the exercise price of RM0.30 per share.

As a result of the exercise of warrants, the Company's issued and paid-up share capital has increased by RM6,908,000 and the total number of shares outstanding has increased to 1,035,118,000. The proceeds from the warrant exercise will be used for general corporate purposes, including future capital expenditure and working capital requirements.

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7. Segmental Reporting

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

	Constructions	Glove Manufacturing	Healthcare	Trading & Services	Property Development	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment profit/(loss)	29,213	4,240	550	6,939	(750)	40,192
<i>Included in the measure of segment profit are:</i>						
Revenue from external customers	230,653	47,928	5,478	14,670	-	298,729
Share of profit of associate	-	-	-	(7)	-	(7)
Share of profit of joint venture	576	-	-	3,985	-	4,561
<i>Not included in the measure of segment profit but provided to CODM:</i>						
Depreciation and amortization	(1,311)	(4,680)	(1,186)	194	(284)	(7,267)
Finance costs	(1,859)	(421)	(262)	(879)	(1,228)	(4,649)
Finance income	4,115	7	-	6	25	4,153
Income tax expense	20	85	(76)	(192)	(424)	(587)
Segment assets	385,289	33,042	34,117	92,979	107,148	652,575
<i>Included in the measure of segment assets are:</i>						
Investment in associate	-	-	-	-	-	-
Investment in joint venture	3,979	-	-	22,246	-	26,225
Additions to non-current assets other than financial instruments and deferred tax assets	1,754	1,456	20,671	1,349	-	25,230

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

	RM'000
Profit or loss	
Total profit or loss for reportable segments	40,192
Depreciation and amortisation	(7,267)
Finance costs	(4,635)
Finance income	4,153
Unrealised/ realised foreign exchange gain/(loss)	(5,291)
Unallocated expenses:	
Corporate expenses	(8,998)
Consolidated profit/(loss) before tax	18,154

8. Valuations of Property, Plant and Equipment

There was no revaluation of property, plant and equipment during the cumulative quarter ended 31 December 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 21 February 2025 (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 except for the followings: -

- (i) The Group incorporated several subsidiaries as part of its ongoing expansion strategy in the Healthcare Division. These incorporations were not material to the Group and did not have a significant impact on the Group's consolidated financial position or results for the current period.

A total of 15 subsidiaries were incorporated, all of which are involved in businesses related to provision of healthcare, wellness, and its related activities. The effective ownership interest in each subsidiary varied, with the total consideration for these incorporations amounting to RM551.

As these incorporations are not material, their impact on the Group's financial position and results is not separately disclosed, but they are consolidated into the Group's financial statements as of their respective incorporation dates.

- (ii) Bloom Healthcare Group Sdn Bhd (formerly known as Salcon Smile Sdn Bhd) ("Bloom Healthcare Group"), a 90%-owned subsidiary of Salcon, had on 27 April 2024, entered into a conditional share sale agreement with Dr. Harveen Kaur Boparoy A/P Jasbir Singh and Prakash A/L Sinnappu for the proposed acquisition by Bloom Healthcare Group of 35,000 ordinary shares in SPH Dental Sdn Bhd ("SPH Dental"), representing 70% equity interest in SPH Dental, for a purchase consideration of RM7,280,000, to be satisfied entirely in cash. Following the acquisition, SPH Dental became a 63% indirect-owned subsidiary of the Company.

The principal business activity of SPH Dental is the provision of dental services.



- (ii) SPH Healthcare & Wellness Sdn Bhd (“SPHHW”), a 63% indirect-owned subsidiary of Salcon, had on 2 August 2024, entered into a conditional share sale agreement with Arete Group Sdn Bhd for the proposed acquisition by SPHHW of 70 ordinary shares (“Shares”) in Kee Vee Dental Laboratory Sdn Bhd (“Kee Vee Dental”), representing 70% equity interest in Kee Vee Dental, for a purchase consideration of RM520,000, to be satisfied entirely in cash. Subsequently, upon completion of the transaction, the shares were transferred to Bloom Healthcare Dental (Northern) Sdn Bhd, a 76.50% indirect-owned subsidiary of the Company, on 5 December 2024. Following the transfer, Kee Vee Dental became a 53.55% indirect-owned subsidiary of the Company.

The principal business activities of Kee Vee Dental include manufacture of medical and dental instrument and supplies.

- (iii) SPH Healthcare & Wellness Sdn Bhd (“SPHHW”), a 63% indirect-owned subsidiary of Salcon, had on 2 August 2024, entered into a conditional share sale agreement with LYC Dental Group Sdn Bhd for the proposed acquisition by SPHHW of 600 ordinary shares (“Shares”) in Sigma Dental Laboratory Sdn Bhd (“Sigma Dental”), representing 60% equity interest in Sigma Dental, for a purchase consideration of RM380,000, to be satisfied entirely in cash. Subsequently, upon completion of the transaction, the Shares were transferred to Bloom Healthcare Group Sdn Bhd, a 90%-owned subsidiary of the Company, on 7 November 2024. Following the transfer, Sigma Dental became a 54% indirectly-owned subsidiary of the Company.

The principal business activities of Sigma Dental are to operate a dental laboratory business and its related services.

- (iv) On 10 July 2024, Integrated Water Services (M) Sdn Bhd, a 51%-owned subsidiary of the Company, has been dissolved and the name of Integrated Water Services (M) Sdn Bhd has been struck off the register of companies.

11. Changes in Contingent Liabilities/Contingent Assets

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

	RM'000
(i) Bank guarantees given to third parties relating to performance, tenders and advance payment bonds	<u>46,428</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	411,787
No. of shares	<u>1,035,118</u>
NA per share (RM)	<u>0.40</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 31/12/2024 RM'000	Cumulative Quarter To-date 31/12/2024 RM'000
Continuing operations		
Malaysia - current period	(615)	(1,161)
- prior years	-	40
- deferred tax	519	533
	<u>(97)</u>	<u>(587)</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 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 21 February 2025 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 December 2024 are as follows:

	As at 4th quarter ended 2024		
	Long term	Short term	Total borrowings
	RM'000 denomination	RM'000 denomination	RM'000 denomination
Secured			
<i>Term loans</i>	3,652	6,376	10,029
<i>Finance lease liabilities</i>	9,471	4,231	13,703
Unsecured			
<i>Term loans</i>	1,883	360	2,243
<i>Bankers' Acceptance</i>	-	6,077	6,077
<i>Revolving Credit</i>	-	31,200	31,200
	15,007	48,245	63,252

	As at 4th quarter ended 2023		
	Long term	Short term	Total borrowings
	RM'000 denomination	RM'000 denomination	RM'000 denomination
Secured			
<i>Term loans</i>	139	241	380
<i>Finance lease liabilities</i>	12,768	760	13,528
<i>Trust Receipts</i>		3,520	3,520
Unsecured			
<i>Term loans</i>	2,453	570	3,023
<i>Bankers' Acceptance</i>	-	6,163	6,163
<i>Revolving Credit</i>	-	31,500	31,500
<i>Other bank facilities</i>	-	220	220
	15,360	42,974	58,334

For the year-to-date financial quarter under review, the Group recorded borrowings of RM63.25 million, compared to RM58.33 million for the corresponding period in the immediate preceding year. The increase in borrowings was substantially attributed to the acquisition of a subsidiary with loans amounting to RM4.90 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 21 February 2025 (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 %
	31/12/2024	30/09/2024	
Revenue	84,175	69,423	21%
Operating Profit/(Loss)	15,040	(7,594)	298%
Profit/(Loss) Before Interest and Tax	17,239	(5,337)	423%
Profit/(Loss) Before Tax	15,545	(6,604)	335%
Profit/(Loss) For The Period	15,449	(6,793)	327%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	13,333	(5,447)	345%

For the current quarter, the Group's revenue increased by 21%, amounting to RM84.18 million. The Group reported a profit before tax of RM15.54 million, compared to a loss before tax of RM6.60 million in the immediately preceding quarter. This increase was primarily due to substantial improvement in the construction project's profit margin and unrealised fair value gains from other investments recorded in the current quarter.

Revenue in the Construction Division increased by 11%, from RM52.86 million to RM58.71 million, compared to the immediate preceding quarter primarily due to higher recognition of work completed in the current quarter. The division recorded a profit before tax of RM6.55 million in the current quarter, compared to a loss before tax of RM2.72 million in the previous quarter, mainly attributed to higher profit margin and unrealised fair value gains from other investments in the current quarter.



The Glove Manufacturing Division's revenue increased by 124%, from RM8.04 million to RM18.04 million, compared to the immediate preceding quarter, driven by higher glove demand. The division recorded a loss before tax of RM371,000 in the current quarter, compared to a loss before tax of RM26,000 in the previous quarter. This was primarily due to impairment losses on trade receivables and adjustments to depreciation in the current quarter.

In the Property Development Division, the loss before tax decreased by 21% to RM473,000 in the current quarter, compared to a loss before tax of RM601,000 in the immediate preceding quarter due to lower operating expenses.

In the Trading and Services Division, revenue decreased by 38% in the current quarter, declining from RM6.72 million to RM4.18 million. The decrease was primarily due to revenue in the immediate preceding quarter included recognition of revenue from previous quarters. The division recorded a profit before tax of RM2.20 million, compared to RM1.81 million in the previous quarter, mainly attributed to gain from the disposal of assets recognised in the current quarter.

The Group's Healthcare Division recorded higher revenue of RM3.24 million, compared to RM1.80 million in the immediate preceding quarter, as the division began operations only in May 2024. The division recorded a higher loss before tax of RM343,000 in the current quarter, compared to a loss before tax of RM301,000 in the previous quarter. This increase in loss was primarily due to higher operating costs incurred in the current quarter.

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

	Individual Period (4th Quarter)		Changes %	12 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	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023		
Revenue	84,175	52,885	59%	298,729	154,610	93%
Operating Profit/(Loss)	15,040	(28,836)	152%	14,096	(46,690)	130%
Profit/(Loss) Before Interest and Tax	17,239	(27,306)	163%	22,803	(35,114)	165%
Profit/(Loss) Before Tax	15,545	(28,309)	-155%	18,154	(38,397)	147%
Profit/(Loss) For The Period	15,449	(26,333)	159%	17,567	(36,975)	148%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	13,333	(14,970)	189%	16,457	(21,193)	178%

For the current quarter under review, the Group achieved higher revenue of RM84.18 million, compared to RM52.89 million in the corresponding quarter of the preceding year, representing an increase of 59%. This growth was primarily driven by a higher completion rate of projects in the Construction Division, and increased sales in the Glove Manufacturing Division. The Group recorded a profit before tax of RM15.54 million in the current quarter, compared to a loss before tax of RM28.31 million in the same quarter of the preceding year. The significant variance was mainly attributed to impairment losses of RM24.5 million recognised in the same quarter of the preceding year, as well as improvement in the construction project's profit margin in the current quarter.



In the Construction Division, revenue for the current quarter was RM58.71 million, representing a 55% increase compared to RM37.89 million in the corresponding quarter of the preceding year. The division recorded a profit before tax of RM6.55 million in the current quarter, compared to a loss before tax of RM2.25 million in the same quarter of the preceding year. This increase in profit was primarily due to a higher gross profit margin in the current quarter.

In the Glove Manufacturing Division, revenue increased by 64%, from RM11.00 million to RM18.04 million, compared to the corresponding quarter of the preceding year. The division recorded a loss before tax of RM371,000 in the current quarter, compared to a loss before tax of RM29.67 million in the same quarter of the preceding year. The significant variance was attributed to impairment losses of RM24.5 million recognised in the same quarter of the preceding year.

The Property Development Division reported a higher loss before tax of RM473,000 in the current quarter, compared to a loss before tax of RM232,000 in the corresponding quarter of the preceding year, due to higher operating expenses in the current quarter.

In the Trading and Services Division, revenue decreased by 8%, from RM4.55 million to RM4.18 million, compared to the corresponding quarter of the preceding year. The division recorded a profit before tax of RM2.20 million in the current quarter, compared to a profit before tax of RM7.66 million in the same quarter of the preceding year, which was mainly attributed to gain from the dissolution of subsidiaries.

In the Healthcare Division, revenue and loss before tax for the current financial quarter were RM3.24 million and RM343,000 respectively. As this division was formed in the current financial year, there are no comparable figures available.

For the current year cumulative quarter, the Group recorded higher revenue of RM298.73 million, representing a 93% increase compared to RM154.61 million in the corresponding cumulative quarter. This increase was mainly driven by the Construction Division and the Glove Manufacturing Division. The Group achieved a profit before tax of RM18.15 million in the current year cumulative quarter, compared to a loss before tax of RM38.40 million in the same period of the preceding year. The significant variance was mainly attributed to impairment losses of RM24.5 million recognised in the same quarter of the preceding year, as well as improvement in the construction project's profit margin in the current year cumulative quarter.

In the Construction Division, revenue increased by 125% compared to the corresponding cumulative quarter of the preceding year. The division recorded a profit before tax of RM4.24 million, compared to a loss before tax of RM8.74 million in the same period of the preceding year which was mainly attributed to impairment losses on investments in joint ventures and an associate company in the previous year.

In the Glove Manufacturing Division, revenue increased by 24%, from RM38.53 million to RM47.93 million, compared to the preceding year's cumulative quarter. The division recorded a lower loss before tax of RM785,000 in the current year cumulative quarter, compared to a loss before tax of RM34.54 million in the preceding year's cumulative quarter, mainly attributed to impairment losses of RM24.5 million recognised in the previous year.

The Property Development Division reported a reduced loss before tax of RM2.24 million in the current year cumulative quarter, compared to a loss before tax of RM2.35 million in the preceding year's cumulative quarter, due to lower operating expenses.

The Trading and Services Division recorded higher revenue of RM14.67 million in the current year cumulative quarter, compared to RM13.59 million in the corresponding quarter of the preceding year. The division achieved a profit before tax of RM6.26 million in the current year cumulative quarter, slightly lower than the profit before tax of RM6.36 million in the same period of the preceding year.



In the Healthcare Division, revenue and loss before tax recorded in the current cumulative quarter were RM5.48 million and RM899,000 respectively. As this division was formed in the current financial year, there are no comparable figures available.

7. Prospects

In the first quarter of 2025, the Group secured a RM70.52 million pipe replacement contract in Kota Bharu, Kelantan, from Pengurusan Aset Air Berhad. The project represents a key milestone for the Engineering & Construction Division, further strengthening its position in Malaysia's water infrastructure sector. This initiative is aimed at enhancing Kelantan's water supply by reducing non-revenue water ("NRW") and improving water quality.

With an RM1.8 billion national allocation for flood mitigation and a target to reduce NRW to 31% by 2025, the Group anticipates continued demand for water infrastructure projects and is well-positioned to capitalise on emerging opportunities.

Looking ahead, the Group remains confident in leveraging its expertise across core businesses and new ventures to drive sustainable growth and deliver long-term shareholder value.

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 December 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 31/12/2024	Comparative Quarter Ended 31/12/2023	Cumulative Quarter To-date 31/12/2024	31/12/2023
Profit/(loss) attributable to equity holders of the parent (RM'000)	13,333	(14,970)	16,457	(21,193)
<u>Weighted average number of ordinary shares</u>				
Issued ordinary shares at beginning of period ('000)	<u>1,012,091</u>	<u>1,012,091</u>	<u>1,012,091</u>	<u>1,012,091</u>
Effect of warrants exercised during the period ('000)	<u>23,027</u>	<u>-</u>	<u>9,418</u>	<u>-</u>
Weighted average number of ordinary shares ('000)	<u>1,035,118</u>	<u>1,012,091</u>	<u>1,021,509</u>	<u>1,012,091</u>
Basic earnings/(loss) per share (sen)	1.29	(1.48)	1.61	(2.09)



11. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Current Quarter Ended 31/12/2024 RM'000	Cumulative Quarter Ended 31/12/2024 RM'000
Net realised foreign exchange gain/(loss)	(10)	112
Net unrealised foreign exchange gain/(loss)	(2,255)	(5,403)
Depreciation and amortization	(1,175)	(7,267)
	<u>1,070</u>	<u>(12,558)</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 28 February 2025 .

ON BEHALF OF THE BOARD

TAN SRI DATO' TEE TIAM LEE
Executive Deputy Chairman

Selangor Darul Ehsan
28 February 2025