TURBO-MECH BERHAD

200901020166 (863263-D)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Mar 2024 RM'000	Preceding Year Corresponding Quarter 31 Mar 2023 RM'000	Current Year-To-Date 31 Mar 2024 RM'000	Preceding Year Corresponding Period 31 Mar 2023 RM'000
Revenue	8,268	7,455	8,268	7,455
Cost of sales	(4,849)	(3,394)	(4,849)	(3,394)
Gross profit	3,419	4,061	3,419	4,061
Other operating income	1,007	376	1,007	376
Other operating expenses	(3,317)	(3,267)	(3,317)	(3,267)
Profit from operations	1,109	1,170	1,109	1,170
Finance costs	(21)	-	(21)	-
Share of results of associate	(235)	81	(235)	81
Share of results of JV	-	-	-	-
Profit before tax	853	1,251	853	1,251
Tax expense	(141)	(399)	(141)	(399)
Net profit for the period	712	852	712	852
Attributable to :				
Equity holders of the parent	712	852	712	852
Non-controlling interest	-	-	-	-
	712	852	712	852
Profit per share (sen)				
Equity holders of the parent :				
Basic	0.66	0.79	0.66	0.79
Diluted	N/A	N/A	N/A	N/A

Note:
The unaudited condensed consolidated statements of income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

TURBO-MECH BERHAD
200901020166 (863263-D)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Mar 2024 RM'000	Preceding Year Corresponding Quarter 31 Mar 2023 RM'000	Current Year-To-Date 31 Mar 2024 RM'000	Preceding Year Corresponding Period 31 Mar 2023 RM'000
Net profit for the period	712	852	712	852
Other comprehensive income:				
Remeasurement of defined benefit obligation	-	(1)	-	(1)
Foreign currency translation	134	1,777	134	1,777
Total comprehensive income for the period	846	2,628	846	2,628
Total comprehensive income for the period attributable to:				
Owners of the parent	846	2,628	846	2,628
Non-controlling interest	-	-	-	-
	846	2,628	846	2,628

Note:

The unaudited condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

200901020166 (863263-D)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited As At 31 Mar 2024 RM'000	Audited As At 31 Dec 2023 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,548	1,643
Investment properties	6,367	6,394
Investment in associates	16,658	16,893
Investment in JV	200	200
Deferred tax assets	149	148
Right of use asset	21,057	21,220
Total non-current assets	**45,979**	**46,498**
CURRENT ASSETS		
Inventories	6,771	6,740
Trade and other receivables	13,467	17,919
Contract asset	1,351	1,227
Dividend receivables	425	425
Prepayments	360	648
Tax recoverable	-	127
Cash and cash equivalents	68,424	64,939
Total current assets	90,798	92,025
TOTAL ASSETS	**136,777**	**138,523**
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	54,000	54,000
Capital reserves	4,764	4,764
Retained profits	43,011	42,299
Retirement benefit obligation reserve	(71)	(71)
Statutory reserve	109	109
Foreign currency translation reserve	26,824	26,690
	128,637	127,791
Non-controling Interest	42	42
Total equity	**128,679**	**127,833**
NON-CURRENT LIABILITIES		
Loans and borrowings	12	21
Retirement benefit obligation	403	404
Lease liability	2,584	2,424
Total non-current liabilities	**2,999**	**2,849**
CURRENT LIABILITIES		
Loans and borrowings	35	35
Trade and other payables	3,701	6,197
Contract liabilities	-	165
Lease liability	49	187
Current tax payables	1,314	1,257
Total current liabilities	**5,099**	**7,841**
Total liabilities	**8,098**	**10,690**
TOTAL EQUITY AND LIABILITIES	**136,777**	**138,523**
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM)	**1.19**	**1.18**

Note:
The unaudited condensed consolidated statements of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

200901020166 (863263-D)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the parent								
	Share capital RM'000	Foreign currency translation reserves RM'000	Capital reserves RM'000	Retirement benefit obligation reserves RM'000	Statutory reserves RM'000	Distributable Retained profits RM'000	Equity Attributable to Owners of the Parent RM'000	Non controlling Interest RM'000	Total Equity RM'000
At 1 January 2024	54,000	26,690	4,764	(71)	109	42,299	127,791	42	127,833
Profit for the period	-	-	-	-	-	712	712	-	712
Other comprehensive income for the period	-	134	-	-	-	-	134	-	134
Total comprehensive income	-	134	-	-	-	712	846	-	846
Transactions with owners - Dividends paid on ordinary shares	-	-	-	-	-	-	-	-	-
At 31 March 2024	54,000	26,824	4,764	(71)	109	43,011	128,637	42	128,679
At 1 January 2023	54,000	20,433	4,764	(67)	109	39,776	119,015	37	119,052
Profit for the period	-	-	-	-	-	852	852	-	852
Other comprehensive income for the period	-	1,777	-	(1)	-	-	1,776	-	1,776
Total comprehensive income	-	1,777	-	(1)	-	852	2,628	-	2,628
Transaction with owners - Dividends paid on ordinary shares	-	-	-	-	-	-	-	-	-
At 31 March 2023	54,000	22,210	4,764	(68)	109	40,628	121,643	37	121,680

Note:

The unaudited condensed consolidated statements of changes of equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

TURBO-MECH BERHAD
200901020166 (863263-D)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Current Year-To-Date 31 Mar 2024 RM'000	Preceding Year Corresponding Period 31 Mar 2023 RM'000
Cash flows from operating activities		
Profit before taxation	853	1,251
Adjustments for non-cash flow:		
Depreciation of property, plant and equipment	122	110
Depreciation of investment properties	70	59
Depreciation of right-of-use asset	61	313
Gain on disposal of property, plant and equipment	(56)	-
Unrealised (gain)/loss on foreign currency	(418)	513
Interest income	(119)	(10)
Share of results of associates	235	(81)
Operating profit before changes in working capital	748	2,155
Changes in working capital		
Net change in inventories	(31)	(2,478)
Net change in trade and other receivables	4,743	7,726
Net change in trade and other payables	(2,662)	(1,888)
Cash generated from operations	2,798	5,515
Tax paid	(84)	(169)
Net cash generated from operating activities	2,714	5,346
Cash flows from investing activities		
Interest received	119	10
Purchase of property, plant and equipment	(19)	(60)
Net cash generated from/(used in) investing activities	100	(50)
Cash flows used in financing activities		
Drawdown of fixed deposit	147	349
Repayment of obligation under finance lease	(9)	-
Repayment of lease liabilities	(22)	(62)
Net cash generated from financing activities	116	287
Net increase in cash and cash equivalents	2,930	5,583
Cash and cash equivalents at beginning of period	51,270	45,636
Effect of exchange rate changes	703	982
Cash and cash equivalents at end of period	54,903	52,201
Cash & cash equivalents comprise the following		
Cash & Bank balances	46,889	44,247
Fixed Deposit with Licensed Banks	21,535	20,963
	68,424	65,210
Less: Long term fixed deposits with licensed bank	(13,521)	(13,009)
Cash and cash equivalents at end of period	54,903	52,201

Note:

The unaudited condensed consolidated statements of cash flow should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Registration No.: 200901020166 (863263-D)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

PART A – Explanatory Notes Pursuant to MFRS 134

A1. Turbo-Mech Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad ("Bursa Securities").

These condensed consolidated interim financial statements were approved by Board of Directors on 28 May 2024.

A2. Basis of preparation

The condensed consolidated interim financial statements of the Group for the first quarter ended 31 March 2024, have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 *Interim Financial Reporting* issued by Malaysian Accounting Standards Board and paragraph 9.22 of the Main Market Listing Requirements of Bursa Securities. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023.

The explanatory notes attached to these condensed consolidated interim financial statements 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 year ended 31 December 2023.

A3. Changes in accounting policies

The significant accounting policies and methods of computation adopted for the condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2023 except for the adoption of the following new or revised MFRSs.

Standards and interpretations that are issued but not yet effective

The standards and interpretations that are issued but not yet effective as of the date of issuance of these interim financial statements are disclosed below. The Group and the Company intend to adopt these standards and interpretations, if applicable, when they become effective.

Effective for financial periods beginning on or after 1 January 2025

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Effective for financial periods to be announced

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

The Board of Directors expects that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application.

A4. Auditors report of preceding Annual Financial Statements

The audited financial statements of the Group for the financial year ended 31 December 2023 was not subject to any qualification.

A5. Seasonal or cyclical factors

The business operations of the Group are affected by the cycles of capital and repairs/maintenance programs implemented by major players in the oil, gas, and petrochemical sector.

A6. Unusual items due to nature of size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cashflows of the Group during the financial quarter under review.

A7. Change in estimates

There were no changes in estimates that have had material effect on the results of the financial quarter under review.

A8. Carrying amount of revalued assets

The valuation of property, plant and equipment has been brought forward without amendment from the audited financial statements as at 31 December 2023.

A9. Debt and equity security

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial quarter under review.

TURBO-MECH BERHAD

Registration No.: 200901020166 (863263-D)

A10. Dividends

There was no dividend declared during the financial quarter under review.

A11. Segment information

Segment information are presented in respect of the Group's geographical segment, which is based on the company's management reporting structure where discrete financial information is available and regularly reviewed by the Chief Operation Decision Maker.

Transfer prices between the operating segments are on arm's length basis in a manner similar to transactions with third parties.

Segment analysis for the period ended 31 March 2024 is set out below:

	Malaysia	Singapore	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External Sales	-	6,781	1,487	-	8,268
Inter-segment Sales	-	334	-	(334)	-
	-	7,115	1,487	(334)	8,268
Results					
Profit/(Loss) from Operation	(136)	872	164	209	1,109
Finance cost					(21)
Share of results of associates					(235)
Share of results of JV					-
Profit before taxation					853
Taxation					(141)
Profit after taxation					712

A12. Subsequent material event

There is no material event reported subsequent to the current financial quarter under review.

A13. Change in the composition of the Group

There were no changes in the composition of the Group for the period under review.

A14. Contingent liabilities

At the date of this report, there were no changes in contingent liabilities since the date of last report.

A15. Capital commitments

There are no capital commitments for the financial quarter under review.

A16. Significant related party transaction

The significant related party transactions below were carried out in the ordinary course of business during the financial quarter under review.

Related parties	Nature of transactions	Transaction for the period ended 31 Mar 2024 RM'000	Transaction for the period ended 31 Mar 2023 RM'000
Turbo-Mech Asia Pte Ltd and Bayu Purnama Sdn Bhd	Sales of parts	-	-
Turbo-Mech Asia Pte Ltd and Bayu Purnama Sdn Bhd	Reimbursement of expenses by Related party	-	-

Registration No.: 200901020166 (863263-D)

PART B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia

B1. Analysis of performance

	INDIVIDUAL QUARTER			
	Current Year Quarter 31 Mar 2024	Preceding Year Corresponding Quarter 31 Mar 2023	Changes	
	RM'000	RM'000	RM'000	%
Revenue	8,268	7,455	813	11%
Segment revenue				
- Singapore	6,781	5,463	1,318	24%
- Others	1,487	1,992	(505)	-25%
Gross profit	3,419	4,061	(642)	-16%
Profit from operations	1,109	1,170	(61)	-5%
Profit before tax	853	1,251	(398)	-32%
Profit after tax	712	852	(140)	-16%
Profit attributable to equity holders of the parent	712	852	(140)	-16%

	CUMULATIVE QUARTER			
	Current Year To Date 31 Mar 2024	Preceding Year Corresponding Quarter 31 Mar 2023	Changes	
	RM'000	RM'000	RM'000	%
Revenue	8,268	7,455	813	11%
Segment revenue				
- Singapore	6,781	5,463	1,318	24%
- Others	1,487	1,992	(506)	-25%
Gross profit	3,419	4,061	(642)	-16%
Profit from operations	1,109	1,170	(61)	-5%
Share of results of associate	853	1,251	(398)	-32%
Profit after tax	712	852	(140)	-16%
Profit attributable to equity holders of the parent	712	852	(140)	-16%

The Group recorded revenue of RM8.3 million for the current quarter, an increase of RM0.8 million or approximately 11% from the revenue recorded during the preceding year corresponding quarter of RM7.5 million. The increase in revenue was mainly due to general increase in sales activities in Singapore region.

The Group registered a lower gross profit of RM3.4 million during the current quarter as compared with RM4.1 million registered in preceding year corresponding quarter. The gross profit margin for this quarter of 41.4% is lower than the gross profit margin of 54.5% achieved during the preceding year corresponding quarter mainly due to the shift in the products assortment and a generally lower selling price of products in the Singapore division.

During the current quarter, the Group's profit after tax was RM0.71 million, which represents a decrease of RM0.14 million or 16% from RM0.85 million profit registered for the corresponding quarter of the preceding year. This is mainly due to general decrease in gross profit margin against prior year corresponding period.

B2. Comparison between the current quarter and immediate preceding quarter

	INDIVIDUAL QUARTER			
	31 Mar 2024	31 Dec 2023	Changes	
	RM'000	RM'000	RM'000	%
Revenue	8,268	20,081	(11,813)	-59%
Segment revenue				
- Singapore	6,781	13,960	(7,179)	-51%
- Others	1,487	6,121	(4,634)	-76%
Profit from operations	1,109	4,302	(3,193)	-74%
Profit before tax	853	4,880	(4,027)	-83%
Profit after tax	712	3,657	(2,945)	-81%
Profit attributable to equity holders of the parent	712	3,651	(2,939)	-80%

The Group recorded revenue of RM8.3 million for the current quarter, a decrease of RM11.8 million or 59% from the revenue recorded for the immediate preceding quarter of RM20.1 million. The decrease in revenue was mainly due to general decrease in sales activities across the region.

The Group recorded a profit before tax of RM0.85 million during the current quarter, compared to the profit before tax of RM4.88 million registered for the immediate preceding quarter. The decrease was mainly attributable to the lower sales achieved and shift in the products assortment and a generally lower selling price of products during the current quarter.

For the current quarter, the Group recorded a profit after tax of RM0.7 million, compared against the previous quarter profit after tax of RM3.7 million primarily attributable to the lower sales achieved during the current quarter.

B3. Prospects

The market sentiments remain challenging due to the uncertainties arising from the current global economic and political headwinds.

As a supplier of equipment and instruments to both upstream and downstream segments of the petrochemical industries, the demand for our products and services is determined by the demand for petrochemical industries products which is influenced by the market and economic conditions.

The Group does not foresee any significant change in clients' business plan in the short and medium terms, thus it is expected that margin pressure from clients will continue. Nevertheless, the Group will continue to focus on maintenance and services and will stay relevant in the industry.

B4. Notes on variance in actual profit and shortfall in profit guarantee

The Group did not issue any profit forecast or profit guarantee for the current financial quarter under review.

B5. Income tax expenses

	Individual Quarter		**Cumulative Quarter**	
	31 Mar 2024	**31 Mar 2023**	**31 Mar 2024**	**31 Mar 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current tax				
- Malaysian income tax	-	-	-	-
- Foreign income tax	(141)	(399)	(141)	(399)
(Over)/Under provision	-	-	-	-
in respect prior years	-	-	-	-
Deferred income tax: Origination and reversal of temporary difference	-	-	-	-
Total	**(141)**	**(399)**	**(141)**	**(399)**

The Group's effective tax rate for the current quarter is lower than the statutory tax rate of 24% principally due to deferred income tax provision on withholding tax in a related company, lower tax regime from foreign income tax, utilization of business loss, and share of associated company results which is net of tax in current quarter.

B6. Status of corporate proposals

There were no corporate proposals announced but not completed as at the date of this report.

B7. Group borrowings

The details of the Group's borrowings as at 31 March 2024 are as set out below:

	Maturity	31 Mar 2024 RM
Current		
Secured:		
Obligations under finance lease	2024	35,435
		35,435
Non-current		
Secured:		
Obligations under finance lease	2025	12,258
		12,258

B8. Gains/Losses from fair value changes of financial liabilities

There were no gains/losses arising from fair value changes of the financial liabilities for the current quarter and financial period.

B9. Material litigation

As at the date of this report, neither the Company nor any of its subsidiaries is engaged in any material litigation and arbitration either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries and our Directors are not aware of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company or its subsidiaries.

B10. Dividend

There was no dividend declared during the financial quarter under review.

B11. Earnings per share

The basic earnings per share is calculated by dividing the Group's profit for the financial quarter under review attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the financial quarter under review.

	Current Quarter 31 Mar 2024 RM'000	Corresponding Quarter 31 Mar 2023 RM'000
Profit after tax attributable to owners of the Parent	712	852
Weighted average number of ordinary Shares	108,000	108,000
Basic earnings per share (Sen)	0.66	0.79

The Company does not have any convertible shares or convertible financial instrument for the financial quarter under review.

B12. Profit/(Loss) before taxation

Profit/(Loss) before taxation is arrived at after crediting/(charging) the following income/(expenses):

	Current Quarter 31 Mar 2024 RM'000	Cumulative Quarter 31 Mar 2024 RM'000
Interest income	119	119
Foreign exchange gain/(loss)	468	468
Investment income*	-	-
Interest expense*	(21)	(21)
Depreciation and amortisation	(530)	(530)
Provision for write off of receivable*	-	-
Receivable written off*	-	-
Provision for inventory	-	-
Inventory written off*	-	-
Impairment of asset*	-	-
Gain/Loss on disposal of quoted or unquoted investment or property*	-	-
Gain/Loss on derivatives*	-	-
Exceptional expenses*	-	-

* *These items are not applicable to the Group but disclosed pursuant to Note 16 of Appendix 9B of the Main Market Listing Requirements of Bursa Securities.*