

# **HPP HOLDINGS BERHAD**

Registration No: 201801043588 (1305620-D)  
(Incorporated in Malaysia)

## **Unaudited Condensed Consolidated Interim Financial Report for the Second Quarter Ended 30 November 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 NOVEMBER 2024<sup>(1)</sup>**

	NOTE	Individual Quarter ended 30 November		Cumulative Quarter ended 30 November	
		Unaudited		Unaudited	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	A10	15,009	17,615	31,660	36,629
Cost of sales		(13,299)	(14,732)	(26,366)	(29,299)
Gross profit		1,710	2,883	5,294	7,330
Other income		725	523	1,248	1,195
Administrative expenses		(2,579)	(2,684)	(5,194)	(4,465)
Net reversals of impairment losses on trade receivables		-	-	139	-
<b>(Loss)/ Profit from operations</b>		<b>(144)</b>	<b>722</b>	<b>1,487</b>	<b>4,060</b>
Finance costs		(195)	(180)	(396)	(305)
<b>(Loss)/ Profit before tax</b>	B11	<b>(339)</b>	<b>542</b>	<b>1,091</b>	<b>3,755</b>
Tax expense	B6	(193)	(526)	(593)	(1,453)
<b>(Loss)/ Profit and total comprehensive income for the financial period</b>		<b>(532)</b>	<b>16</b>	<b>498</b>	<b>2,302</b>
<b>Total comprehensive (loss)/ income for the financial period attributable to:</b>					
- Owners of the Company		(467)	61	577	2,354
- Non-controlling interests		(65)	(45)	(79)	(52)
		<b>(532)</b>	<b>16</b>	<b>498</b>	<b>2,302</b>
<b>(Loss)/ Earnings Per Share</b>					
Basic (Sen)	B10(A)	(0.12)	0.02	0.15	0.61
Diluted (Sen)	B10(B)	(0.12)	0.02	0.15	0.61

**Note:**

- (1) The basis of preparation of the Unaudited Consolidated Statement of Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Company's and its subsidiaries' ("**Group**") Audited Consolidated Financial Statements for the financial year ended ("**FYE**") 31 May 2024 and the accompanying explanatory notes attached to this condensed consolidated interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2024<sup>(1)</sup>**

		Unaudited As at 30 November 2024	Audited As at 31 May 2024
<b>ASSETS</b>	<b>NOTE</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current asset</b>			
Property, plant and equipment		80,182	79,782
		<u>80,182</u>	<u>79,782</u>
<b>Current assets</b>			
Inventories		9,480	9,742
Trade receivables		17,537	18,719
Other receivables		3,831	682
Tax recoverable		4,118	3,158
Short-term fund <sup>(2)</sup>		19,144	21,953
Fixed deposits with licensed banks		13,906	14,715
Cash and bank balances		11,256	10,073
		<u>79,272</u>	<u>79,042</u>
<b>TOTAL ASSETS</b>		<b><u>159,454</u></b>	<b><u>158,824</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		90,237	90,208
Retained earnings		79,895	79,318
Share-based payment reserve		7,949	6,952
Restructuring reserve		(54,452)	(54,452)
<b>Total equity attributable to owners of the Company</b>		<b><u>123,629</u></b>	<b><u>122,026</u></b>
Non-controlling interests		1,466	1,545
<b>Total equity</b>		<b><u>125,095</u></b>	<b><u>123,571</u></b>
<b>Non-current liabilities</b>			
Borrowings	B7	13,777	14,365
Lease liabilities	B7	129	179
Deferred tax liabilities		7,855	7,871
		<u>21,761</u>	<u>22,415</u>
<b>Current liabilities</b>			
Borrowings	B7	2,310	2,890
Lease liabilities	B7	98	95
Trade payables		5,533	5,868
Other payables		4,648	3,950
Amount due to ultimate holding company		9	22
Tax payable		-	13
		<u>12,598</u>	<u>12,838</u>
<b>Total liabilities</b>		<b><u>34,359</u></b>	<b><u>35,253</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>159,454</u></b>	<b><u>158,824</u></b>
Number of issued shares ('000)		388,490	388,430
Net asset per share attributable to owners of the Company (RM)		0.32	0.31

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2024<sup>(1)</sup> (CONT'D)**

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Group's Audited Consolidated Financial Statements for the FYE 31 May 2024 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.
- (2) Short-term fund represents investment in highly liquid money market instrument and deposits with financial institution in Malaysia. The short-term fund is subject to an insignificant risk of change in value. The distribution income is being treated as interest income by the Group and the Company.

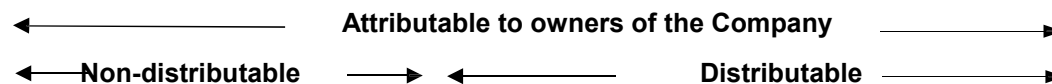
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 NOVEMBER 2024<sup>(1)</sup>

	←————— Attributable to owners of the Company —————→						
	← Non-distributable →		←————— Distributable —————→				
	Share capital	Restructuring reserve	Share-based payment reserve	Retained earnings	Total	Non- controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Unaudited</b>	<b>90,208</b>	<sup>(2)</sup> <b>(54,452)</b>	<b>5,648</b>	<b>80,087</b>	<b>121,491</b>	<b>1,795</b>	<b>123,286</b>
<b>As at 1 June 2023</b>							
Profit and total comprehensive income for the financial period	-	-	-	2,354	2,354	(52)	2,302
Dividend to owners of the Company	-	-	-	(2,913)	(2,913)	-	(2,913)
Share options granted under ESOS	-	-	1,307	-	1,307	-	1,307
<b>As at 30 November 2023</b>	<b>90,208</b>	<b>(54,452)</b>	<b>6,955</b>	<b>79,528</b>	<b>122,239</b>	<b>1,743</b>	<b>123,982</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 NOVEMBER 2024**  
**(CONT'D)**<sup>(1)</sup>



	Share capital RM'000	Restructuring reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
<b>Unaudited As at 1 June 2024</b>	<b>90,208</b>	<sup>(2)</sup> <b>(54,452)</b>	<b>6,952</b>	<b>79,318</b>	<b>122,026</b>	<b>1,545</b>	<b>123,571</b>
Profit and total comprehensive income for the financial period	-	-	-	577	577	(79)	498
Share options granted under ESOS	-	-	1,003	-	1,003	-	1,003
Transfer to share capital for share options exercised	6	-	(6)	-	-	-	-
Issuance of ordinary shares pursuant to ESOS	23	-	-	-	23	-	23
<b>As at 30 November 2024</b>	<b>90,237</b>	<b>(54,452)</b>	<b>7,949</b>	<b>79,895</b>	<b>123,629</b>	<b>1,466</b>	<b>125,095</b>

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Group's Audited Consolidated Financial Statements for the FYE 31 May 2024 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.
- (2) This restructuring reserve of RM54,452,000 arose from the restructuring exercise that was undertaken in conjunction with the initial public offering. The restructuring reserve arose from the difference between the carrying value of the investment and the nominal value of the shares of subsidiaries upon consolidation under the merger accounting principles.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 NOVEMBER 2024<sup>(1)</sup>**

	Unaudited Cumulative Quarter ended 30 November	
	2024 RM'000	2023 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	1,091	3,755
<i>Adjustment for:</i>		
Depreciation of property, plant and equipment	2,561	2,381
Gain on disposal of property, plant and equipment	(25)	(21)
Finance costs:		
- Term loans	388	288
- Lease liabilities	8	17
Interest income and fair value gain on investment from money market	(622)	(612)
(Reversal) of impairment loss on trade receivables	(139)	-
Charge of impairment loss on property, plant and equipment	31	-
Unrealised (gain)/loss on foreign exchange	(97)	102
Share-based payment	1,003	1,307
<b>Operating profit before working capital changes</b>	<b>4,199</b>	<b>7,217</b>
Change in working capital:		
- Inventories	262	4,341
- Receivables	(1,748)	(889)
- Payables	363	794
- Amount due to holding company	(13)	(9)
<b>Cash generated from operations</b>	<b>3,063</b>	<b>11,454</b>
Tax paid	(1,580)	(837)
Tax refunded	-	53
<b>Net cash from operating activities</b>	<b>1,483</b>	<b>10,670</b>
<b>Cash flows from investing activities</b>		
Interest received	622	612
Proceeds from disposal of property, plant and equipment	25	21
Purchase of property, plant and equipment	(2,993)	(10,966)
<b>Net cash used in investing activities</b>	<b>(2,346)</b>	<b>(10,333)</b>
<b>Cash flow from financing activities</b>		
Dividend paid	-	(2,913)
Interest paid	(396)	(305)
Drawdown of bank borrowings	124	11,072
Repayment of borrowings	(1,293)	(1,204)
Proceed from issuance of shares under ESOS	22	-
Repayment of lease liabilities	(47)	(165)
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,590)</b>	<b>6,485</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,453)</b>	<b>6,822</b>
Cash and cash equivalents at the beginning of the financial period	46,741	45,362
Effect of exchange rate changes on cash and cash equivalents	18	(102)
<b>Cash and cash equivalents at the end of the financial period</b>	<b>44,306</b>	<b>52,082</b>

Note:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Group's Audited Consolidated Financial Statements for the FYE 31 May 2024 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

## **A. NOTES TO THE INTERIM FINANCIAL REPORT**

### **A1. Basis of Preparation**

The condensed consolidated interim financial report is unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“**MFRS**”) 134 *Interim Financial Reporting* and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements (“**Listing Requirements**”).

The condensed consolidated interim financial report should be read in conjunction with the Audited Consolidated Financial Statements for the FYE 31 May 2024 and the accompanying explanatory notes attached to the condensed consolidated interim financial report. The explanatory notes attached to the condensed consolidated interim financial report provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the FYE 31 May 2024.

### **A2. Material Accounting Policies**

Except as described below, the same accounting policies and methods of computation are followed in this condensed consolidated interim financial report as compared with the Group’s audited consolidated financial statements for the FYE 31 May 2024.

The Group has also considered the new accounting pronouncements in the preparation of the financial statements.

#### **(i) Accounting pronouncements that are effective and adopted during the financial year**

Amendments to MFRS 16	Lease liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of the Group and the Company.

#### **(ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted**

The Group has not adopted the following accounting pronouncements that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group:

##### ***Effective for financial periods beginning on or after 1 January 2025***

Amendments to MFRS 121	Lack of Exchangeability
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##### ***Effective for financial periods beginning on or after 1 January 2026***

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments
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##### ***Effective for financial periods beginning on or after 1 January 2027***

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures



## A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

### A2. Material Accounting Policies (Cont'd)

#### (ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted (cont'd)

The Group has not adopted the following accounting pronouncements that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group (cont'd):

#### **Effective date has been deferred**

Amendments to MFRS 10 and MFRS 128

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company are in the process of assessing the impact of implementing these Standards, since the effects would only be observable for future financial years.

### A3. Auditors' Report

There was no qualified audit report issued by the auditors in the audited consolidated financial statements for the FYE 31 May 2024.

### A4. Seasonal or Cyclical Factors

The nature of the Group's business was not subject to any significant seasonal and cyclical factors.

### A5. Exceptional items

There were no material exceptional items during the current financial quarter under review.

### A6. Material Changes in Accounting Estimates

There were no material changes in estimates for the current financial quarter under review.

### A7. Material Events Subsequent to the Statement of Financial Position Date

There were no material events subsequent to the financial period under review.

### A8. Changes in Composition of the Group

There were no changes in the composition of the Group for the current financial quarter under review.

### A9. Capital Commitments

Save as disclosed below, there were no other material capital commitments incurred or known to be incurred:

	Unaudited As at 30 November 2024 RM'000	Audited As at 31 May 2024 RM'000
<b>Approved but not contracted for:</b>		
Purchase of property, plant and equipment	<u>2,107</u>	<u>2,107</u>
<b>Approved and contracted for:</b>		
Purchase of property, plant and equipment	<u>1,465</u>	<u>3,189</u>

## A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

### A10. Segmental Information

The Group is organised into business units based on their products and services. The reportable segments are summarised as follows:

Corrugated packaging	Printing and production of corrugated packaging.
Non-corrugated packaging	Printing and production of non-corrugated packaging.
Rigid boxes	Production and trading of rigid boxes.
Paper pulp moulded packaging	Production of paper pulp product.
Others	Printing and production of brochures, leaflets, labels, and paper bags as well as investment holding.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated statements of profit or loss and other comprehensive income. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Unaudited Cumulative Quarter ended 30 November 2024	Corrugated packaging	Non Corrugated packaging	Rigid boxes	Paper pulp moulded packaging	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	6,293	17,802	4,235	1,440	1,890	-	31,660
Inter segment revenue	29	81	501	-	269	(880)	-
Total revenue	6,322	17,883	4,736	1,440	2,159	(880)	31,660
Depreciation of property, plant and equipment	949	1,581	83	139	95	(286)	2,561
ESOS expenses	-	-	-	-	1,003	-	1,003
Other non-cash (income)/expense	(46)	(129)	(31)	(10)	(14)	-	(230)
Segment profit/(loss) from operations	278	863	111	113	122	-	1,487

Unaudited Cumulative Quarter ended 30 November 2023	Corrugated packaging	Non Corrugated packaging	Rigid boxes	Paper pulp moulded packaging	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	10,269	19,057	4,238	105	2,960	-	36,629
Inter segment revenue	29	55	1,570	-	4,372	(6,026)	-
Total revenue	10,298	19,112	5,808	105	7,332	(6,026)	36,629
Depreciation of property, plant and equipment	767	1,423	177	17	221	(224)	2,381
ESOS expenses	-	-	-	-	1,307	-	1,307
Other non-cash expense/(income)	23	42	9	-	7	-	81
Segment profit/(loss) from operations	1,756	5,599	108	20	627	(4,050)	4,060

## A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

### A11. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

### A12. Dividend Paid

There were no dividends paid during the current financial quarter under review.

### A13. Valuation of Property, Plant and Equipment

There was no valuation of the property, plant and equipment in the current financial quarter review.

### A14. Contingent Liabilities

There were no contingent assets and contingent liabilities as at the date of this condensed consolidated interim financial report.

### A15. Related Party Transactions

	Individual Quarter ended 30 November		Cumulative Quarter ended 30 November	
	← Unaudited →		← Unaudited →	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Transactions Holding Company</b>				
Hostel rental	13	13	26	26

### A16. Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The carrying amounts of long-term floating rate borrowings approximate their fair value as the borrowings will be repriced to market interest rate on or near reporting date.

There was no gain or loss arising from fair value changes of the Group's financial liabilities for the current quarter and financial period under review.

### A17. Ultimate Holding Company

The Directors regard Aurora Meadow Sdn Bhd, a company incorporated in Malaysia, as the ultimate holding company.

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## **B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**

### **B1. Review of Financial Performance**

The Group recorded revenue of approximately RM15.01 million and RM31.66 million in the current financial quarter and the cumulative financial quarter ended 30 November 2024 respectively. The Group's revenue was mainly contributed by the sales of paper-based packaging.

The Group recorded a loss before tax of approximately RM0.34 million and profit before tax RM1.09 million in the current financial quarter and the cumulative financial quarter ended 30 November 2024 respectively.

### **B2. Variation of Results Against Corresponding Quarter**

The Group registered a lower revenue of RM15.01 million in the current financial quarter, compared to RM17.61 million in the corresponding quarter, a decline of RM2.60 million or 14.79%. The decline was primarily due to reduced sales, mainly in the corrugated packaging, rigid box trading, and other segments (e.g., leaflets, stickers, paper bags) for customers in the electronic and electrical ("E&E"), pharmaceutical and sheath contraceptive industries. However, this decline was partially offset by higher revenue from non-electrical household products, food and beverages, and other consumer goods. The Group also recorded lower revenue of RM31.66 million in the current cumulative financial quarter as compare to RM36.63 million in the corresponding cumulative financial quarter, representing a decrease of RM4.97 million or 13.56%.

The decline in revenue resulted to lower gross profit. The gross profit margin for the current financial quarter was 11.39%, down from 16.37% in the corresponding quarter. The lower margin was a result of the Group incurring fixed production costs due to reduced sales orders for the financial quarter, along with provision for share-based payments related to the Employees' Share Option Scheme ("ESOS") granted to eligible employees in November 2021 and July 2024.

The Group recorded a loss before tax of RM0.34 million in the current financial quarter, compared to a profit before tax of RM0.54 million in the corresponding quarter last financial year. The profit before tax for the current cumulative financial quarter was RM1.09 million, lower than RM3.75 million recorded in the corresponding cumulative quarter last financial year. Along with the lower gross profit, this drop was also caused by foreign exchange loss due to weakening of the US Dollar against Malaysia Ringgit.

### **B3. Variation of Results Against Immediate Preceding Quarter**

Revenue for current financial quarter was RM15.01 million, a 9.86% decrease from RM16.65 million in the preceding quarter, due to lower sales in corrugated and non-corrugated packaging, rigid boxes, and paper pulp moulded packaging for customers in the E&E, sheath contraceptive, and non-electrical household sectors. This decline was partially offset by higher sales in the pharmaceutical industry, food and beverages and other consumer products.

The gross profit margin decreased from 21.52% to 11.39%, mainly due to the Group incurring fixed production costs from lower sales orders for the current financial quarter and provision for share-based payments related to Employees' Share Option Scheme ("ESOS") granted in November 2021 and July 2024.

The Group recorded a loss before tax of RM0.34 million in the current financial quarter, compared to profit before tax of RM1.43 million in the preceding financial quarter. The decline was largely caused by lower revenue in the current financial quarter.

## B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

### B4. Commentary on Prospects

We remain committed to broadening our product offerings and enhancing the level of customer service and support. The Group will continue to focus on improving production capabilities, increasing product quality, and driving both efficiency and productivity along with cost optimization. At the same time, we will actively pursue new business opportunities to expand our client base across a wide range of industries, both domestically and internationally. As the global demand for green or sustainable packaging is on the rise, we see good potential sales growth in the paper pulp moulded packaging products and also other eco-friendly products. As a one stop printing and packaging solution provider, committed to sustainable and eco-friendly practices, supported by 8 local and international certificates of recognition and awards, HPP is well positioned to collaborate and customise such eco-friendly solutions to meet such customers' needs.

By maintaining focus on environmental, social, and governance initiatives, along with ongoing active engagement in business development, the Group aims to attract more new customers and explore additional business opportunities in the near future.

### B5. Profit Forecast

Not applicable as the Group does not publish any profit forecast.

### B6. Tax Expense

	Individual Quarter ended 30 November		Cumulative Quarter ended 30 November	
	← Unaudited →		← Unaudited →	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Recognised in profit or loss</b>				
<b>Current tax expense</b>				
Current financial period	113	666	608	1,512
<b>Deferred tax expense</b>				
Current financial period	64	(51)	(31)	30
Underprovision/ (Over) in prior year	16	(89)	16	(89)
<b>Total</b>	<b>193</b>	<b>526</b>	<b>593</b>	<b>1,453</b>
Effective tax rate (%) <sup>(1)</sup>	N/A	97.05	54.35	38.70

**Note:**

- (1) The effective tax rate are higher than the statutory tax rate of 24% mainly due to expenses which are not allowed for tax deduction purposes, in particular depreciation for non-qualifying expenditures and share-based payment.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**

**B7. Loans and Borrowings**

The details of the Group's borrowings are as follows:

	<b>Unaudited As at 30 November 2024 RM'000</b>	<b>Audited As at 31 May 2024 RM'000</b>
<b>Non-current</b>		
Term loans	13,777	14,365
Lease liabilities	129	179
	<u><b>13,906</b></u>	<u><b>14,544</b></u>
<b>Current</b>		
Term loans	2,310	2,890
Lease liabilities	98	95
	<u><b>2,408</b></u>	<u><b>2,985</b></u>
<b>Total</b>	<u><u><b>16,314</b></u></u>	<u><u><b>17,529</b></u></u>

All the borrowings are secured and denominated in Ringgit Malaysia.

**B8. Material Litigation**

There is no material litigation pending as at the date of this interim financial report.

**B9. Dividends**

There were no dividends declared for the current financial quarter under review.

On 6 December 2024, the Board of Directors of the Company declared the first single-tier interim dividend of 0.50 sen per ordinary share amounting to RM1,942,450 for the FYE 31 May 2025, which was paid on 30 December 2024.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)****B10. Basic and Diluted (Loss)/ Earnings Per Share****A. Basic (loss)/ earnings per share**

The basic (loss)/ earnings per share for the current financial quarter and cumulative financial quarter ended 30 November 2024 and 30 November 2023 respectively is based on the profit attributable to owners of the Company and weighted average number of Shares as follows:

	Individual Quarter ended 30 November		Cumulative Quarter ended 30 November	
	← Unaudited → 2024	2023	← Unaudited → 2024	2023
(Loss)/ Profit for the financial period attributable to owners of the Company (RM'000)	(467)	61	577	2,354
Weighted average number of Shares during the financial period ('000)	388,490	388,430	388,490	388,430
Basic (loss)/ earnings per share (sen)	(0.12)	0.02	0.15	0.61

**B. Diluted (loss)/ earnings per share**

Diluted (loss)/ earnings per share for the financial period is calculated by dividing the (loss)/ profit for the financial period attributable to owners of the Company by the weighted average number of shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares.

	Individual Quarter ended 30 November		Cumulative Quarter ended 30 November	
	← Unaudited → 2024	2023	← Unaudited → 2024	2023
(Loss)/ Profit for the financial period attributable to owners of the Company (RM'000)	(467)	61	577	2,354
Weighted average number of shares during the financial period ('000)	388,490	388,430	388,490	388,430
Effect of dilution from share options granted under ESOS ('000)	2,940	-	2,940	-
Adjusted weighted average number of shares in issue and issuable ('000)	391,430	388,430	391,430	388,430
Diluted (loss)/ earnings per share (sen)	(0.12)	0.02	0.15	0.61

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**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**

**B11. Profit before tax**

	Individual Quarter ended 30 November		Cumulative Quarter ended 30 November	
	← Unaudited →		← Unaudited →	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Material expenses/(income)</b>				
Auditor's remuneration				
- Current year	34	35	69	64
Depreciation of property, plant, and equipment & right-of-use assets	1,293	1,245	2,561	2,381
Directors' remuneration:				
- Directors' fee	150	150	300	300
- Salaries, wages, allowances and bonus	184	184	367	366
- Contributions to defined contribution plan	34	34	69	68
Finance costs:				
- Term loans	191	172	388	288
- Lease liabilities	4	8	8	17
Gain on disposal of property, plant, and equipment	-	(21)	(25)	(21)
Interest income and fair value gain on Investment from money market	(297)	(307)	(622)	(612)
Rental expenses / Short-term lease rental:				
- Equipment	9	1	11	2
- Hostel	-	2	3	4
Reversal of impairment loss on trade receivables	-	-	(139)	-
Charge of impairment loss on Property, plant, and equipment	31	-	31	-
Staff costs:				
- Salaries, wages, allowances, and bonus	3,313	3,025	6,633	5,998
- Contributions to defined contribution plan	302	276	602	544
- Contributions to social security	49	42	96	84
- Share-based payment expense	659	1,307	1,003	1,307
Unrealised (gain)/loss on foreign exchange	(401)	160	(97)	102
Realised loss/(gain) on foreign exchange	240	(195)	389	(267)

The Group did not report any other investment income, write-off of receivables, gain or loss on disposal of quoted or unquoted investments and gain or loss on derivatives for the financial period under review.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**

**B12. Utilisation of Proceeds Raised from Public Issue**

The utilisation of proceeds raised from the Public Issue of approximately RM31.92 million is as follows:

Details of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Reallocation RM'000	Unutilised amount RM'000	Revised unutilised amount RM'000	Actual utilisation RM'000	Balance unutilised amount RM'000	Intended timeframe for utilisation after listing	Revised timeframe for utilisation (from 20 January 2024) <sup>(3)</sup>
Capital expenditure and expansion	13,031	6,597	-	6,434	-	-	-	Within 36 months <sup>(2)</sup>	-
Repayment of bank borrowings	7,783	7,783	-	-	-	-	-	Within 12 months	-
Working capital	5,207	5,021	<sup>(1)</sup> (186)	-	3,554	2,019	1,535	Within 24 months	Within 18 months
Sales and marketing expenses	2,000	-	-	2,000	500	77	423	Within 36 months	Within 18 months
Estimated listing expenses	3,900	<sup>(1)</sup> 4,086	<sup>(1)</sup> (186)	-	-	-	-	Within 3 months	-
Acquisition of machineries <sup>(4)</sup>	-	-	-	-	4,380	2,097	2,283	-	Within 18 months
<b>Total</b>	<b>31,921</b>	<b>23,487</b>	<b>-</b>	<b>8,434</b>	<b>8,434</b>	<b>4,193</b>	<b>4,241</b>		

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus dated 15 December 2020 (“**Prospectus**”), the announcement on extension of timeframe for utilisation of proceeds dated 16 December 2022 and the circular to the shareholders in relation to the variation and extension of timeframe for the utilisation of proceeds dated 19 December 2023.

**Notes:**

- (1) As the actual amount incurred for listing expenses is higher than estimated, the shortfall has been funded out of the amount allocated for working capital purposes, as set out in Section 2.7.5 of the Prospectus.
- (2) The Company had on 16 December 2022 announced the extension of timeframe for the utilisation of proceeds allocated for capital expenditure and expansion from within 24 months to within 36 months from listing.
- (3) The Company had on 5 January 2024 obtained its shareholders’ approval via an extraordinary general meeting for the variation and extension of timeframe of 18 months from 20 January 2024 i.e. up to 19 July 2025 for the utilisation of the remaining proceeds raised from the Public Issue.
- (4) Being the acquisition of 1 unit of dry hot press paper pulp moulded packaging machine, 1 unit of wet hot press paper pulp moulded packaging machine and 1 unit of 3D-printing machine.

By order of the Board of Directors  
23 January 2025