

<u>Part A – Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (MFRS) 134</u> "Interim Financial Reporting"

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134 "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Listing Requirements.

The interim financial report has been prepared on a condensed basis and as such it should be read in conjunction with the audited annual financial statements for the financial year ended 31 May 2023.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, Leases Lease Liability in a Sale and Leaseback
- Amendments 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 and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 June 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 June 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

A2. Auditors' Report On Preceding Annual Financial Statements

The audit report in respect of the financial statements of the Group for the preceding year was not subject to any qualification.

A3. Seasonal Or Cyclical Factors

The Group's results were not materially affected by any major seasonal or cyclical factors in the current quarter.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income Or Cash Flows

There were no unusual nature and amount of items affecting assets, liabilities, equity, net income or cash flow of the Group during the quarter under review.

A5. Changes in Estimates

There were no material changes in estimates during the quarter under review.

A6. Issuance and Repayment of Debt and Equity Securities

There were no new debts and equity security issued during the current quarter.

A7. Dividends Paid

No dividends were paid during the quarter under review.

A8. Operating segments

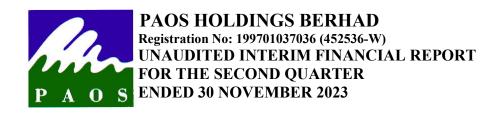
	Manufacturing RM'000	Trading RM'000	Integrated hotel Operations and Property investment RM'000	Current Quarter Ended 30.11.2023 Total RM'000
Segment profit/(loss)	(1,146)	693	(124)	(577)
Included in the measure of Segment profit are: -				
Revenue from External customers	6,247	169,359	1,392	176,998
Depreciation and amortisation	271	69	334	674

Reconciliation of reportable segment profit: -

1 3 1	Current Quarter ended 30.11.2023 RM'000
Profit	
Total profit/(loss) for reportable segments	(577)
Unallocated expenses	(202)
Unallocated income	27
Interest expenses	(7)
Interest income	<u>26</u>
Consolidated profit/(loss) before tax	(733)
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A9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward without amendment from the previous financial year.



A10. Capital Commitments

Authorised capital expenditure for property, plant and equipment not provided for in the financial statements were as follows:-

	As at 30 November 2023 RM'000	As at 31 May 2023 RM'000
Property, plant and equipment		
- contracted	541	46
 not contracted 	<u>318</u>	881
Total	859	927
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A11. Events Subsequent to the End of the Interim Period

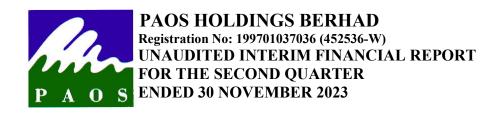
There were no material events subsequent to the end of the current reporting period until the date of this report, which are expected to have a material operational or financial impact on the Group.

A12. Changes in the Composition of the Group

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

A13. Changes in Contingent Liabilities Or Contingent Assets

	As at 30 November 2023 RM'000	As at 31 May 2023 RM'000
Bank guarantees in favour of third		
parties for utilities	380	380
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<u>Part B - Explanatory Notes Pursuant to Paragraph 9.22 of the Bursa Malaysia Securities</u> Exchange Listing Requirements

B1. Review Of Performance

	Individu	al quarter	Cumulative quarter		
	30.11.2023 RM'000	30.11.2022 RM'000	30.11.2023 RM'000	30.11.2022 RM'000	
Revenue					
Manufacturing	6,247	11,444	13,364	24,256	
Trading	169,359	157,726	413,582	298,675	
Integrated hotel operations					
and property investment	1,392	1,385	2,894	2,605	
	176,998	170,555	429,840	325,536	
	======		======	=======	
Segment profit/(loss)					
Manufacturing	(1,146)	(25)	(1,763)	(803)	
Trading	693	540	1,829	949	
Integrated hotel operations					
and property investment	(124)	(69)	(171)	(344)	
	(577)	446	(105)	(198)	
Profit/(loss) before tax					
Unallocated expenses	(202)	(629)	(437)	(836)	
Unallocated income	27	27	54	54	
Interest expenses	(7)	(5)	(14)	(13)	
Interest income	<u> 26</u>		32	<u>-</u> _	
	(733)	(161)	(470)	$(99\overline{3})$	
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Quarterly Performance Review

Revenue of the Group for the second quarter ended 30 November 2023 increased to RM177.00 million from RM170.56 million reported in the preceding corresponding financial quarter mainly due to increase in fuel oil volume.

In tandem with the higher fuel oil volume, cost of sales of the Group for the current quarter increased to RM176.26 million from RM169.08 million in the preceding corresponding quarter.

Overall, the Group reported a loss before taxation for the current quarter of RM0.73 million as compared to a loss before taxation of RM0.16 million in the preceding corresponding quarter.

B1. Review Of Performance (con't): -

Segment Performance Review

Manufacturing segment

For the six months ended 30 November 2023, revenue decreased by 44.93% from 24.26 million to RM13.36 million, while segment loss increased from RM0.80 million to RM1.76 million mainly due to lower volume.

Trading segment

For the six months ended 30 November 2023, revenue increased by 38.47% from RM298.68 million to RM413.58 million, while segment profit increased from RM0.95 million to RM1.83 million mainly due to higher fuel oil volume.

Integrated hotel operations and property investment segment

For the six months 30 November 2023, revenue increased by 10.73% to RM2.89 million from RM2.61 million, while segment loss decreased from RM0.34 million to RM0.17 million mainly due to increase in occupancy rate of the hotel.

B2. Variation Of Current Quarter Results Compared With The Preceding Quarter

Revenue for the current quarter was RM177.00 million compared to RM252.84 million recorded in the immediate preceding quarter.

The Group's loss before taxation for the current quarter was RM0.73 million compared to the profit before taxation of RM0.26 million for the preceding quarter.

B3. Current Year Prospects

Current economic situation continues to present challenging business conditions for the Group. Higher operational costs in terms of rising cost of wages, utilities, logistics, other operational expenses and also fluctuations in foreign currency exchange rates remain as main challenges for the Group.

Efforts will continuously be made in improving the performance of the respective segments.

The Board of Directors is cautiously optimistic of the performance of the Group for the financial year 2023/2024 amidst challenges from the prevailing economic conditions.

The Group will remain resilient and vigilant in addressing these challenges in its' business activities moving forward.

B4. Variance of Actual Profit from Profit Forecast or Profit Guarantee

Not applicable to the Group as there was no profit forecast or profit guarantee.

B5 Taxation

	Current Year		Preceding Year	
	Quarter 30.11.2023	Year To Date 30.11.2023	Quarter 30.11.2022	Year To Date 30.11.2022
Income tax	'000	'000	'000	,000
-current year	39	210	258	303
Total tax expenses	39	210	258	303

B6. Status of Corporate Proposals

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

B7. Borrowings and Debt Securities

Details of the Group's borrowings as at 30 November 2023 are as follows:

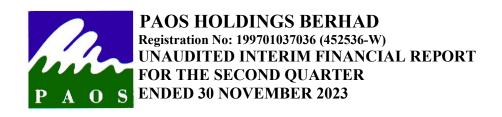
	RM'000
Short term borrowings: - Hire purchase	124
Long term borrowings:-	
Hire purchase	<u>465</u>
Total borrowings	589
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B8. Material Litigation

There is no material litigation for the Group as at the date of this report.

B9. Dividends

The Board of Directors does not recommend any dividend for the current quarter.



B10. Earnings Per Share

	Quarter Ended		Cumulative	Quarter
		Preceding	Current	Preceding
	Current	Year	Year To	Year
	Quarter	Corresponding	Date	Corresponding
	Ended	Quarter Ended	Ended	Year To Date Ended
	30.11.2023	30.11.2022	30.11.2023	30.11.2022
Basic Earnings				
Per Share:				
Net profit/(loss) for				
the period (RM'000)	(772)	(419)	(680)	(1,296)
Weighted average	, ,			, ,
number of ordinary				
shares ('000)	181,164	181,164	181,164	181,164
, ,				
Basic Earnings/(Loss)				
Per Share (Sen)	(0.43)	(0.23)	(0.38)	(0.72)
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