

**ORNAPAPER BERHAD**

[ Registration No.: 200201006032 (573695 W) ]  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2024**

	Note	Current quarter 3 months ended		Cumulative quarter 12 months ended	
		31 Mar 2024 RM'000	31 Mar 2023 RM'000	31 Mar 2024 RM'000	31 Mar 2023 RM'000
Revenue	7	75,628	71,098	75,628	71,098
Cost of sales		(65,141)	(63,470)	(65,141)	(63,470)
Gross profit		10,487	7,628	10,487	7,628
Other items of income					
- Interest income		321	166	321	166
- Other income		588	313	588	313
Other items of expense					
- Administrative and other expenses		(8,378)	(7,237)	(8,378)	(7,237)
- Finance costs		(937)	(720)	(937)	(720)
Profit before tax	9	2,081	150	2,081	150
Income tax expense	10	(592)	(218)	(592)	(218)
Profit net of tax		1,489	(68)	1,489	(68)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		1,489	(68)	1,489	(68)
<b>Profit net of tax, attributable to:</b>					
Owners of the parent		1,460	(76)	1,460	(76)
Non-controlling interests		29	8	29	8
		1,489	(68)	1,489	(68)
<b>Earnings per share attributable to owners of the parent (sen per share):</b>					
- Basic	11	1.97	(0.10)	1.97	(0.10)
- Diluted	11	1.97	(0.10)	1.97	(0.10)

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

**ORNAPAPER BERHAD**

[ Registration No.: 200201006032 (573695 W) ]  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2024**

	Note	31 Mar 2024 RM'000	31 Dec 2023 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	99,297	100,796
Property development cost	38	19,385	-
Right of use assets		17,620	17,884
Goodwill	13	1,633	1,633
		<u>137,935</u>	<u>120,313</u>
<b>Current assets</b>			
Inventories		45,664	50,975
Property development cost	38	12,838	-
Right of return assets		56	56
Trade receivables	37	61,613	58,735
Other receivables		585	578
Other current assets		8,224	8,911
Tax recoverable		2,419	2,782
Deposits with licensed banks	14	4,659	4,659
Cash and bank balances	14	64,810	60,751
Derivatives asset		-	37
		<u>200,868</u>	<u>187,484</u>
<b>TOTAL ASSETS</b>		<u>338,803</u>	<u>307,797</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	16	86,407	86,407
Treasury shares	16	(541)	(541)
Retained earnings		112,579	111,119
		<u>198,445</u>	<u>196,985</u>
<b>Non-controlling interests</b>		1,716	1,687
<b>TOTAL EQUITY</b>		<u>200,161</u>	<u>198,672</u>
<b>Non-current liabilities</b>			
Loans and borrowings	17	42,212	14,684
Deferred tax liabilities		10,094	10,256
Lease liabilities	18	310	332
		<u>52,616</u>	<u>25,272</u>
<b>Current liabilities</b>			
Loans and borrowings	17	56,259	51,546
Trade payables		18,464	18,193
Other payables		10,131	12,794
Refund liabilities		377	406
Lease liabilities	18	753	914
Income tax payable		36	-
Derivatives liabilities		6	-
		<u>86,026</u>	<u>83,853</u>
<b>TOTAL LIABILITIES</b>		<u>138,642</u>	<u>109,125</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>338,803</u>	<u>307,797</u>
<b>NET ASSETS PER SHARE</b>			
Attributable to owners of the parent (RM)		<u>2.68</u>	<u>2.66</u>

These condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**ORNAPAPER BERHAD**

[ Registration No.: 200201006032 (573695 W) ]  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2024**

	3 months ended	
	31-Mar-2024	31-Mar-2023
	RM'000	RM'000
<b>Operating activities</b>		
<b>Profit before taxation</b>	2,081	150
Adjustments for:		
Depreciation and amortisation :		
- Property, plant & equipment	3,474	3,603
- Right of use assets	365	327
Gain on disposal of property, plant and equipment	(241)	-
Bad debts recovered	(2)	-
Fair value changes on derivatives	43	(18)
Interest expense	823	586
Interest expense on lease liabilities	11	17
Interest income	(321)	(166)
<b>Operating cash flows before changes in working capital</b>	<u>6,233</u>	<u>4,499</u>
Working capital adjustments :		
Decrease in inventories and right of return assets	5,311	4,458
(Increase) in Property development cost	(12,838)	-
(Increase) / decrease in trade and other receivables	(1,883)	5,104
(Increase) in other current assets	(218)	(637)
(Decrease) in payables and refund liabilities	<u>(3,420)</u>	<u>(3,662)</u>
<b>Cash generated (for) / from operation</b>	<u>(6,815)</u>	<u>9,762</u>
Tax paid	<u>(355)</u>	<u>(462)</u>
<b>Net cash flows generated (for) / from operating activities</b>	<u>(7,170)</u>	<u>9,300</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment and right-of-use assets	(963)	(1,074)
(Increase) in Property development cost	(19,385)	-
Proceeds from disposal of property, plant and equipment	241	-
Interest received	321	166
<b>Net cash for investing activities</b>	<u>(19,786)</u>	<u>(908)</u>
<b>Financing activities</b>		
Drawdown of term loans	28,909	-
Drawdown of hire purchase	-	570
Repayment of hire purchase payable	(317)	(433)
Repayment of term loans	(279)	(361)
Repayment of lease liabilities	(284)	(246)
Drawdown / (Repayment) in short term borrowings	4,298	(11,607)
Interest paid	(823)	(586)
Interest expense on lease liabilities	(11)	(17)
<b>Net cash from / (for) financing activities</b>	<u>31,493</u>	<u>(12,680)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	4,537	(4,288)
Effect of exchange rate changes on cash & cash equivalents	-	-
<b>Cash and cash equivalents at 1 January</b>	<b>14</b> <u>59,099</u>	<u>45,342</u>
<b>Cash and cash equivalents at 31 March</b>	<b>14</b> <u>63,636</u>	<u>41,054</u>

These condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial reports.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2024**

	<----- Attributable to owners of the parent ----->					
	< ----- Non	Distributable			Non-	Total
	Share	Treasury	Retained	Total	controlling	Equity
	capital	shares	earnings		interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 Jan 2024	86,407	(541)	111,119	196,985	1,687	198,672
Total comprehensive income for the period	-	-	1,460	1,460	29	1,489
As at 31 Mar 2024	<u>86,407</u>	<u>(541)</u>	<u>112,579</u>	<u>198,445</u>	<u>1,716</u>	<u>200,161</u>
As at 1 Jan 2023	86,407	(541)	105,294	191,160	1,804	192,964
Total comprehensive income for the period	-	-	(76)	(76)	8	(68)
As at 31 Mar 2023	<u>86,407</u>	<u>(541)</u>	<u>105,218</u>	<u>191,084</u>	<u>1,812</u>	<u>192,896</u>

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

**EXPLANATORY NOTES PURSUANT TO MFRS 134 AND BURSA MALAYSIA LISTING REQUIREMENTS CHAPTER 9, APPENDIX 9B, PART A**

**1 CORPORATE INFORMATION**

Ornapaper Berhad is a public listed liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements were approved by the Board of Directors.

**2 BASIS OF PREPARATION**

These condensed consolidated interim financial statements, for the year ended 31 December 2023, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

These condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2023 and the explanatory notes that follow 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.

**3 SIGNIFICANT ACCOUNTING POLICIES**

3.1 During the current financial period, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 101 : Classification of Liabilities as Current or Non-current  
Amendments to MFRS 101 : Non-current liabilities with covenants  
Amendments to MFRS 16 : Lease liability in a sale and leaseback  
Amendments to MFRS 107 and MFRS 7 : Supplier Finance Arrangements

3.2 The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 121 : Lack of Exchangeability  
Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

**Effective Date**  
1-Jan-25  
Deferred

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application

**4 CHANGES IN ESTIMATES**

There were no changes in estimates that have had a material effect in the current interim period.

**5 CHANGES IN COMPOSITION OF GROUP**

There were no changes in the composition of the Group for the current financial period to-date.

**6 SEGMENT INFORMATION**

The Group is organised into business units based on their products and has three operating segments as follows :

	Corrugated Board & Carton		Paper Stationery Product		Corporate & Others		Property Development		Adjustments & Eliminations		Per consolidated financial statements	
	31-Mar 2024	31-Mar 2023	31-Mar 2024	31-Mar 2023	31-Mar 2024	31-Mar 2023	31-Dec 2024	31-Dec 2023	31-Mar 2024	31-Mar 2023	31-Mar 2024	31-Mar 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	76,984	70,969	7,558	8,578	851	662	-	-	(9,765)	(9,111)	75,628	71,098
Profit / (loss)	1,912	(156)	98	155	(36)	(67)	(483)	-	(31)	(8)	1,460	(76)
Assets	298,342	281,630	19,602	21,454	103,144	103,725	32,223	-	(114,508)	(112,037)	338,803	294,772
Liabilities	111,456	98,915	13,547	14,736	929	1,276	28,841	-	(16,131)	(13,051)	138,642	101,876

The Group is principally involved in the manufacturing of corrugated board and carton and paper stationery product.

The Group's revenue and profit are mainly contributed by the corrugated board and carton segment.

The Corporate segment represents investment holding, the Group's treasury functions and transportation service.

Performance review for financial period to-date

Corrugated board and carton segment :

This segment's revenue increased by RM 6.015 million or 8.47% from RM 70.969 million in the corresponding quarter to RM 76.984 million in the current quarter due to higher sale volumes.

In tandem with increase in revenue, this segment reported a profit after tax of RM 1.912 million in current quarter compared to loss after tax of RM 0.156 million registered in the previous corresponding quarter.

Paper stationery products segment :

This segment's revenue decreased by RM1.020 million or 11.89% from RM 8.578 million in the corresponding quarter to RM 7.558 million in the current quarter

This segment reported a profit after tax of RM 0.098 million in this year compared to profit after tax of RM 0.155 million recorded in the previous year corresponding quarter.

Land held for development :

This segment recorded a loss after tax of RM 0.483 million in the current quarter.

The Group had on 2 February 2024 completed the acquisition of two pieces of industrial land located at Krubong, Melaka. There was no development works carried out during the current quarter.

**7 REVENUE FROM CONTRACTS WITH CUSTOMERS**

Set out below is the disaggregation of the Group's revenue by different type of industries that the Group's customers operate in :

Type of industry	3 Months Ended 31 Mar	
	2024	2023
	RM'000	RM'000
Paper industry	24,521	22,191
Furniture, rubber, hardware & steel	18,114	15,507
Food based & beverage	16,912	18,096
Electronic & electrical	5,896	5,846
Others	10,185	9,458
	<u>75,628</u>	<u>71,098</u>

**8 SEASONALITY OF OPERATIONS**

The business operations for the financial period to-date were not affected by seasonal or cyclical factors.

**9 PROFIT BEFORE TAX**

	Current quarter		Cumulative quarter	
	3 Months Ended 31 Mar 2024	2023	3 Months Ended 31 Mar 2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest income	(321)	(166)	(321)	(166)
Interest expense	823	586	823	586
Interest expense on lease liabilities	11	17	11	17
Depreciation of property, plant & equipment	3,474	3,603	3,474	3,603
Depreciation on right of use assets	365	327	365	327
Bad debts recovered	(2)	-	(2)	-
(Gain) on disposal of property, plant and equipment	(241)	-	(241)	-
(Gain) on foreign exchange - realised	(44)	60	(44)	60
Fair value changes of derivatives	43	(18)	43	(18)

10 INCOME TAX EXPENSE

	Current quarter		Cumulative quarter	
	3 Months Ended 31 Mar		3 Months Ended 31 Mar	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current tax	(754)	(463)	(754)	(463)
Deferred tax	162	245	162	245
	<u>(592)</u>	<u>(218)</u>	<u>(592)</u>	<u>(218)</u>

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

11 EARNINGS PER SHARE

Earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period:

	Current quarter		Cumulative quarter	
	3 Months Ended 31 Mar		3 Months Ended 31 Mar	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Issued ordinary sharers at the beginning and end of period	75,251	75,251	75,251	75,251
Weighted average number of shares ('000)	74,153	74,153	74,153	74,153
Net profit attributable to ordinary equity holders of the parent (RM'000)	1,460	(76)	1,460	(76)
Basic earning per share (Sen)	1.97	(0.10)	1.97	(0.10)
Diluted earnings per share (Sen)	1.97	(0.10)	1.97	(0.10)

12 PROPERTY, PLANT AND EQUIPMENT

For the year ended 31 March 2024, assets with a carrying amount of RM0 were disposed off by the Group resulted in a net gain on disposal of RM 240,582, recognised and included in the statement of profit and loss, whereas no asset were disposed off by the Group in year 2023 corresponding quarter.

13 INTANGIBLE ASSETS - GOODWILL

Goodwill is tested for impairment annually (31 December) and when circumstances indicate that the carrying value may be impaired. The group's impairment test for goodwill is based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The key assumptions used to determine the recoverable amount for the different cash generating units were discussed in the annual financial statements for the year ended 31 December 2023.

Management did not identify any impairment for the cash generating unit to which goodwill is allocated.

14 CASH AND BANK BALANCES

Cash and cash equivalents comprised the following amounts:

	31-Mar 2024 RM'000	31-Dec 2023 RM'000
<u>Condensed consolidated statement of financial position:</u>		
Cash at bank and in hand	64,810	60,751
Short term deposits with licensed banks	4,659	4,659
Cash and bank balances	<u>69,469</u>	<u>65,410</u>
<u>Condensed consolidated statement of cash flows:</u>		
Cash at bank and in hand	64,810	60,751
Short term deposits with licensed banks	4,659	4,659
Bank overdrafts	(1,174)	(1,652)
Total cash and cash equivalents	<u>68,295</u>	<u>63,758</u>
Less : Deposits pledged to licensed banks	(3,339)	(3,339)
Less: Deposit with tenure more than 3 months	(1,320)	(1,320)
	<u>63,636</u>	<u>59,099</u>

15 FAIR VALUE HIERARCHY

The Group uses the following hierarchy in determining the fair value of all financial instruments carried at fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs that are based on observable market data, either directly or indirectly.

Level 3 - Inputs that are not based on observable market data.

As at 31 March 2024, the Group held the following financial liabilities that are measured at fair value.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Derivative liabilities	-	6	-

16 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

There were no issuance or re-purchase of ordinary shares during the financial period ended 31 March 2024.

17 LOANS AND BORROWINGS

The borrowings of the Group as at the end of the current financial quarter were as follows:-

Type of Borrowing	Fixed rate	Floating rate	31-Mar	Weighted	31-Dec	Weighted
			2024	Average	2023	Average
			RM'000	Interest Rate	RM'000	Interest Rate
<b>Short term borrowing (secured)</b>						
Bank overdrafts (floating)		100%	1,174	8.08%	1,652	7.72%
Charge card			300		338	
Trade bills (floating)		100%	51,930	3.54%	47,594	3.50%
Hire Purchase (fixed)	100%		1,014	2.97%	1,235	2.92%
Term loans (floating)		100%	1,841	4.18%	727	4.58%
			<u>56,259</u>		<u>51,546</u>	
<b>Long term borrowing (secured)</b>						
Hire Purchase (fixed)	100%		2,641		2,629	
Term loans (floating)		100%	39,571		12,055	
			<u>42,212</u>		<u>14,684</u>	
<b>Total borrowing</b>			<u>98,471</u>		<u>66,230</u>	

None of the above borrowings are dominated in foreign currencies.

18 LEASE LIABILITIES

	31-Mar 2024 RM'000	31-Dec 2023 RM'000 (Restated)
As at 1 January	1,246	1,749
Additional during the year	101	408
Reassessment / Modification of lease liabilities	-	114
Interest expense recognised in profit or loss	11	56
Derecognition due to lease termination	-	(31)
Repayment of principal	(284)	(994)
Repayment of interest expenses	(11)	(56)
	1,063	1,246

19 PROVISIONS FOR COST OF RESTRUCTURING

There were no provision for, or reversal of, costs of restructuring during the reporting period.

20 DIVIDENDS

The Board of Directors declared final single tier dividend of 2.0 sen per ordinary share for financial year ended 31 December 2023. The entitlement date is 3 May 2024 and the payment date is 20 May 2024.

21 CAPITAL COMMITMENTS

	31-Mar 2024 RM'000	31-Mar 2023 RM'000
Approved and contracted for:		
Purchase of property, plant & equipment	8,289	7,192

22 CONTINGENCIES

There were no contingent assets or liabilities existing at end of the reporting period.

23 RELATED PARTY TRANSACTIONS

The following table shows the transactions which had been entered into with related parties in the current financial period ended 31 March 2024 and 31 March 2023 as well as the balances with the related parties as at 31 March 2024 and 31 December 2023:

	Transactions with related parties		Amounts owed by related parties		Amounts due to related parties	
	3 months ended		As At		As At	
	31-Mar 2024 RM'000	31-Mar 2023 RM'000	31-Mar 2024 RM'000	31-Dec 2023 RM'000	31-Mar 2024 RM'000	31-Dec 2023 RM'000
<b>Sales of carton boxes &amp; stationery products #</b>						
Julie's Manufacturing Sdn. Bhd. *	2,271	2,479	3,329	4,423	-	-
STH Wire Industry (M) Sdn. Bhd. @	22	20	10	18	-	-
<b>Sales of waste paper #</b>						
Johmewah Maju Paper Mill Sdn Bhd +	-	207	-	-	-	-
PS3G Sdn Bhd +	-	4	-	-	-	-
<b>Purchase of raw material #</b>						
STH Wire Industry (M) Sdn. Bhd. @	108	106	-	-	87	72
<b>Purchase of paper roll</b>						
Johmewah Maju Paper Mill Sdn Bhd + #	-	4,644	-	-	-	11
PS3G Sdn Bhd +	-	-	-	-	-	54
<b>Maintenance jobs #</b>						
Uptrend Performer Sdn Bhd \$	17	-	-	-	17	80
<b>Rental #</b>						
Fairway Review Sdn Bhd *	165	159	-	-	-	-

- \* Companies in which certain directors have substantial financial interests
- @ Companies in which a director have substantial financial interests
- + Company in which close family member of certain directors have significant influence
- \$ Company in which close family member of certain directors have significant interests
- # The transactions above were based on negotiated and mutually agreed terms and has been approved by the shareholders in the previous Annual General Meeting.

24 EVENTS AFTER THE REPORTING PERIOD

There were no material events subsequent to the end of this financial period.

25 PERFORMANCE REVIEW

a) Financial review for current quarter and financial year to date

	Current quarter 3 Months ended			Cumulative quarter 3 Months ended		
	31-Mar 2024 RM'000	31-Mar 2023 RM'000	Changes (%)	31-Mar 2024 RM'000	31-Mar 2023 RM'000	Changes (%)
	Revenue	75,628	71,098	6.37%	75,628	71,098
Gross Profit	10,487	7,628	37.48%	10,487	7,628	37.48%
Profit Before Interest and Tax	2,594	587	341.91%	2,594	587	341.91%
Profit Before tax	2,081	150	1287.33%	2,081	150	1287.33%
Profit After tax	1,489	(68)	2289.71%	1,489	(68)	2289.71%
Profit Attributable to Ordinary Equity Holders of the Parent	1,460	(76)	2021.05%	1,460	(76)	2021.05%

For the quarter under review the Group achieved a revenue of RM 75.628 million, which was 6.37% higher compared to preceding year's corresponding quarter of RM 71.098 million. The higher revenue during the quarter was mainly attributable to higher sales volume for the Group's products.

The Group registered a higher profit before tax of RM 2.081 million as compared to a profit before tax of RM 0.150 million reported in the preceding year's corresponding quarter mainly due to higher sales volume and lower raw material cost.

b) Financial review for current quarter compared with immediate preceding quarter

	31-Mar 2024 RM'000	31-Dec 2023 RM'000	Changes (%)
Revenue	75,628	72,449	4.39%
Gross Profit	10,487	12,195	-14.01%
Profit Before Interest and Tax	2,594	5,648	-54.07%
Profit before tax	2,081	5,394	-61.42%
Profit After tax	1,489	5,446	-72.66%
Profit Attributable to Ordinary Equity Holders of the Parent	1,460	5,513	-73.52%

The Group's revenue increased by 4.39% from RM 72.449 million in the immediate preceding quarter to RM75.628 million in the current quarter mainly due to higher average selling price of the products.

The Group reported a profit before tax of RM 2.081 million as compared to a profit before tax of RM 5.394 million reported in the immediate preceding quarter mainly due to higher average cost of raw material and operating cost.

**26 COMMENTARY ON PROSPECTS**

The continued uncertainties in the global economic environment, demand of the products, escalation of costs due to inflationary pressure and increase in raw materials cost are amongst factors that may impact the Group's performance.

The Group will continue to focus on its core business and will always be seeking new ways to improve our performance.

The Group had on 2 February 2024 completed the acquisition of two pieces of industrial land located at Krubong, Melaka. In view of the positive outlook of the property market and the assessment of the potential demand of the industrial properties within the vicinity of the lands by the management, the Group intend to diversify into property business. The diversification will facilitate the Group into property business which will provide new sources of revenue and income stream for the future growth of the Group.

Moving forward, the Group will continue to improve operational efficiency for long term sustainable growth.

**27 COMMENTARY ON PROGRESS TO ACHIEVE REVENUE OR PROFIT ESTIMATE, FORECAST, PROJECTION OR INTERNAL TARGETS**

Not applicable

**28 STATEMENT BY DIRECTORS ON ACHIEVABILITY OF REVENUE OR PROFIT ESTIMATE, FORCAST, PROJECTION OR INTERNAL TARGET**

Not applicable

**29 VARIANCE FROM PROFIT FORECAST OR PROFIT GUARANTEE**

Not applicable

**30 CORPORATE PROPOSALS**

As of the date of this report, there were no corporate proposals announced but not completed at the latest practicable date (not earlier than 7 days from the date of issue of this Quarterly Report).

**31 CHANGES IN MATERIAL LITIGATION**

There was no material litigation against the Group.

**32 DIVIDEND PAYABLE**

Refer to Note 20 for details.

**33 DISCLOSURE OF NATURE OF OUTSTANDING DERIVATIVES**

Type of Derivatives	Contract No.	Contract Value	Fair Value	Book Date	Expiry Date
		USD'000	RM'000		
CIMB BANK Fixed forward - less than 1 year	52988385	219	1,036	01-Nov-23	03-Apr-24

**34 RATIONALE FOR ENTERING INTO DERIVATIVES**

The Group had entered one fixed forward contract with CIMB Bank Berhad where the details was stated in Note 33. The purpose is to hedge against unfavorable movement in foreign exchange rate in respect of sales of stationery products to oversea market.

**35 RISKS AND POLICIES OF DERIVATIVES**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to transactional currency risk primarily respective through sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily United States Dollars ("USD"), Singapore Dollars ("SGD") and EURO Dollars ("EURO"). Such transactions are kept to an acceptable level and the Group only enters into foreign exchange contracts when necessary. The Group policy is not to speculate on such contracts.

**36 DISCLOSURE OF GAINS/LOSSES ARISING FROM FAIR VALUE CHANGES OF FINANCIAL LIABILITIES**

	CIMB BANK BERHAD
Contract no.:	52988385
Rate contracted:	4.7000
Balances as at 31 Mar (In USD):	218,759
Rate as at 31 Mar 2024	4.7285
Loss on fair value changes of derivatives (In RM)	6,235

**37 TRADE RECEIVABLES**

Trade receivables are non-interest bearing and are generally on 30 to 150 (2022: 30 to 150) days terms. The credit term to related parties are generally on 30 to 120 days. They are recognised at their original invoices amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows :

	Group		Related party	
	31-Mar 2024	31-Mar 2023	31-Mar 2024	31-Mar 2023
	RM'000	RM'000	RM'000	RM'000
Neither past due nor impaired	54,892	52,635	4,441	3,679
1 to 30 days past due not impaired	6,177	5,870	-	-
31 to 60 days past due not impaired	1,284	2,918	-	-
More than 61 days past due not impaired	1,581	1,038	-	-
Total past due not impaired	9,042	9,826	-	-
Impaired	(2,321)	(1,663)	-	-
	61,613	60,798	4,441	3,679

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of these trade receivables have been renegotiated during the financial year.

Receivables that are past due but not impaired

Trade receivables that are past due but not impaired are active accounts which the management considers to be recoverable. These receivables are not secured by any collateral or credit enhancements.

Receivables that are impaired

Trade receivables that are determined to be individually impaired relate to those debtors that are in significant financial difficulties and/or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

**38 PROPERTY DEVELOPMENT COST**Current

As at 1 January	-
Addition during the year	12,838
Balance as at 31 March	12,838

Non current

As at 1 January	-
Addition during the year	19,385
Balance as at 31 March	19,385

Represented by:- Leasehold land	32,223
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**39 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the year ended 31 December 2023 was not qualified.

**40 AUTHORITY FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors.