

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2024**

	Note	Current quarter 3 months ended		Cumulative quarter 6 months ended	
		30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Revenue	7	67,946	65,238	143,574	136,336
Cost of sales		(59,590)	(58,544)	(124,731)	(122,014)
Gross profit		8,356	6,694	18,843	14,322
Other items of income					
- Interest income		369	208	690	374
- Other income		374	284	962	597
Other items of expense					
- Administrative and other expenses		(6,938)	(6,537)	(15,316)	(13,774)
- Finance costs		(582)	(754)	(1,519)	(1,474)
Profit / (Loss) before tax	9	1,579	(105)	3,660	45
Income tax expense	10	(635)	(169)	(1,227)	(387)
Profit / (Loss) net of tax		944	(274)	2,433	(342)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income / (expenses) for the period		944	(274)	2,433	(342)
Profit / (Loss) net of tax, attributable to:					
Owners of the parent		914	(269)	2,374	(345)
Non-controlling interests		30	(5)	59	3
		944	(274)	2,433	(342)
Earnings per share attributable to owners of the parent (sen per share):					
- Basic	11	1.23	(0.36)	3.20	(0.47)
- Diluted	11	1.23	(0.36)	3.20	(0.47)

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 30 JUNE 2024**

		30 June 2024	31 Dec 2023
	Note	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	102,418	100,796
Property development cost	38	19,649	-
Right of use assets		17,417	17,884
Goodwill	13	1,633	1,633
		<u>141,117</u>	<u>120,313</u>
Current assets			
Inventories		50,987	50,975
Property development cost	38	12,991	-
Right of return assets		56	56
Trade receivables	37	55,933	58,735
Other receivables		590	578
Other current assets		9,844	8,911
Tax recoverable		2,132	2,782
Deposits with licensed banks	14	4,659	4,659
Cash and bank balances	14	66,857	60,751
Derivatives asset		-	37
		<u>204,049</u>	<u>187,484</u>
TOTAL ASSETS		<u>345,166</u>	<u>307,797</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	16	86,407	86,407
Treasury shares	16	(541)	(541)
Retained earnings		112,010	111,119
		<u>197,876</u>	<u>196,985</u>
Non-controlling interests		1,746	1,687
TOTAL EQUITY		<u>199,622</u>	<u>198,672</u>
Non-current liabilities			
Loans and borrowings	17	43,115	14,684
Deferred tax liabilities		10,044	10,256
Lease liabilities	18	336	332
		<u>53,495</u>	<u>25,272</u>
Current liabilities			
Loans and borrowings	17	55,727	51,546
Trade payables		23,628	18,193
Other payables		11,697	12,794
Refund liabilities		332	406
Lease liabilities	18	604	914
Income tax payable		59	-
Derivatives liabilities		2	-
		<u>92,049</u>	<u>83,853</u>
TOTAL LIABILITIES		<u>145,544</u>	<u>109,125</u>
TOTAL EQUITY AND LIABILITIES		<u>345,166</u>	<u>307,797</u>
NET ASSETS PER SHARE			
Attributable to owners of the parent (RM)		<u>2.67</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

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2024**

	6 months ended	
	30-Jun-2024	30-Jun-2023
	RM'000	RM'000
Operating activities		
Profit before taxation	3,660	45
Adjustments for:		
Depreciation and amortisation :		
- Property, plant & equipment	7,026	7,173
- Right of use assets	724	649
Gain on disposal of property, plant and equipment	(249)	-
Bad debts recovered	(2)	-
Fair value changes on derivatives	39	(6)
Interest expense	1,297	1,243
Interest expense on lease liabilities	20	29
Interest income	(690)	(374)
Operating cash flows before changes in working capital	<u>11,825</u>	<u>8,759</u>
Working capital adjustments :		
(Increase) / decrease in inventories and right of return assets	(12)	8,978
(Increase) in Property development cost	(12,991)	-
Decrease in trade and other receivables	3,792	11,652
(Increase) in other current assets	(270)	(674)
Increase / (decrease) in payables and refund liabilities	3,265	(4,184)
Cash generated from operation	<u>5,609</u>	<u>24,531</u>
Tax paid	(732)	(970)
Net cash flows generated from operating activities	<u>4,877</u>	<u>23,561</u>
Investing activities		
Purchase of property, plant and equipment and right-of-use assets	(9,650)	(3,123)
(Increase) in Property development cost	(19,649)	-
Proceeds from disposal of property, plant and equipment	696	-
Interest received	690	374
Net cash for investing activities	<u>(27,913)</u>	<u>(2,749)</u>
Financing activities		
Drawdown of term loans	30,552	-
Repayment of hire purchase payable	(629)	(804)
Repayment of term loans	(685)	(714)
Repayment of lease liabilities	(563)	(489)
Drawdown / (Repayment) in short term borrowings	3,914	(11,332)
Interest paid	(1,297)	(1,243)
Interest expense on lease liabilities	(20)	(29)
Dividend paid on ordinary shares	(1,483)	(742)
Net cash from / (for) financing activities	<u>29,789</u>	<u>(15,353)</u>
Net increase in cash and cash equivalents	6,753	5,459
Cash and cash equivalents at 1 January	14 <u>59,099</u>	<u>45,342</u>
Cash and cash equivalents at 30 June	14 <u>65,852</u>	<u>50,801</u>

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

ORNAPAPER BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2024**

	<----- Attributable to owners of the parent ----->					
	< ----- Non	Distributable			Non-	Total
	Share	Treasury	Retained	Total	controlling	Equity
	capital	shares	earnings	RM'000	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
Dividend	-	-	(1,483)	(1,483)	-	(1,483)
Total comprehensive income for the period	-	-	2,374	2,374	59	2,433
As at 30 June 2024	<u>86,407</u>	<u>(541)</u>	<u>112,010</u>	<u>197,876</u>	<u>1,746</u>	<u>199,622</u>
As at 1 Jan 2023	86,407	(541)	105,294	191,160	1,804	192,964
Dividend	-	-	(742)	(742)	-	(742)
Total comprehensive income for the period	-	-	(345)	(345)	3	(342)
As at 30 June 2023	<u>86,407</u>	<u>(541)</u>	<u>104,207</u>	<u>190,073</u>	<u>1,807</u>	<u>191,880</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
MFRS 18 Presentation and Disclosure in Financial Statements
MFRS 19 Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 9 and MFRS 7 : Amendments to the Classification and Measurement of Financial Instruments

Effective Date

01-Jan-25
Deferred
01-Jan-27
01-Jan-27
01-Jan-26

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	
	30-Jun 2024	30-Jun 2023	30-Jun 2024	30-Jun 2023	30-Jun 2024	30-Jun 2023	30-Jun 2024	30-Jun 2023	30-Jun 2024	30-Jun 2023	30-Jun 2024	30-Jun 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	151,442	140,267	10,396	12,980	2,389	1,310	-	-	(20,653)	(18,221)	143,574	136,336
Profit / (loss)	3,637	43	(662)	(145)	533	(241)	(301)	-	(833)	(2)	2,374	(345)
Assets	304,593	281,454	16,278	14,989	101,978	102,588	32,640	-	(110,323)	(105,748)	345,166	293,283
Liabilities	117,197	98,539	10,982	8,572	676	1,055	28,634	-	(11,945)	(6,763)	145,544	101,403

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 11.175 million or 7.97% from RM 140.267 million in the corresponding quarter to RM 151.442 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 3.637 million in current quarter compared to profit after tax of RM 0.043 million registered in the previous corresponding quarter.

Paper stationery products segment :

This segment's revenue decreased by RM2.584 million or 19.91% from RM 12.980 million in the corresponding quarter to RM 10.396 million in the current quarter due to lower sales volume.

The decrease in revenue has resulted this segment reported a loss after tax of RM 0.662 million in this year compared to loss after tax of RM 0.145 million recorded in the previous year corresponding quarter.

Land held for development :

This segment recorded a loss after tax of RM 0.301 million in the current quarter.

The loss was mainly attributable to stamp duties and legal fees incurred for term loan facilities.

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	6 Months Ended 30 June	
	2024	2023
	RM'000	RM'000
Paper industry	42,505	40,221
Furniture, rubber, hardware & steel	36,008	31,355
Food based & beverage	32,608	34,632
Electronic & electrical	12,678	12,349
Others	19,775	17,779
	143,574	136,336

8 SEASONALITY OF OPERATIONS

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

9 PROFIT / (LOSS) BEFORE TAX

	Current quarter		Cumulative quarter	
	3 Months Ended 30 June		6 Months Ended 30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest income	(369)	(208)	(690)	(374)
Interest expense	474	657	1,297	1,243
Interest expense on lease liabilities	9	12	20	29
Depreciation of property, plant & equipment	3,552	3,570	7,026	7,173
Depreciation on right of use assets	359	322	724	649
Bad debts recovered	-	-	(2)	-
(Gain) on disposal of property, plant and equipment	(8)	-	(249)	-
Loss / (Gain) on foreign exchange - realised	5	4	(39)	64
Fair value changes of derivatives	(4)	12	39	(6)

10 INCOME TAX EXPENSE	Current quarter		Cumulative quarter	
	3 Months Ended 30 June		6 Months Ended 30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current tax	(885)	(110)	(1,439)	(573)
Deferred tax	50	(59)	212	186
	<u>(635)</u>	<u>(169)</u>	<u>(1,227)</u>	<u>(387)</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 30 June		6 Months Ended 30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Issued ordinary sharers at the beginning and end of period	<u>75,251</u>	<u>75,251</u>	<u>75,251</u>	<u>75,251</u>
Weighted average number of shares ('000)	<u>74,153</u>	<u>74,153</u>	<u>74,153</u>	<u>74,153</u>
Net profit attributable to ordinary equity holders of the parent (RM'000)	<u>914</u>	<u>(269)</u>	<u>2,374</u>	<u>(345)</u>
Basic earning per share (Sen)	<u>1.23</u>	<u>(0.36)</u>	<u>3.20</u>	<u>(0.47)</u>
Diluted earnings per share (Sen)	<u>1.23</u>	<u>(0.36)</u>	<u>3.20</u>	<u>(0.47)</u>

12 PROPERTY, PLANT AND EQUIPMENT

For the year ended 30 June 2024, assets with a carrying amount of RM447,028 were disposed off by the Group resulted in a net gain on disposal of RM 248,554, 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:

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
<u>Condensed consolidated statement of financial position:</u>		
Cash at bank and in hand	66,857	60,751
Short term deposits with licensed banks	4,659	4,659
Cash and bank balances	<u>71,516</u>	<u>65,410</u>
<u>Condensed consolidated statement of cash flows:</u>		
Cash at bank and in hand	66,857	60,751
Short term deposits with licensed banks	4,659	4,659
Bank overdrafts	(1,005)	(1,652)
Total cash and cash equivalents	<u>70,511</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>65,852</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 30 June 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	-	2	-

16 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

There were no issuance or re-purchase of ordinary shares during the financial period ended 30 June 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	30-Jun	Weighted	31-Dec	Weighted
			2024	Average	2023	Average
			RM'000	Interest Rate	RM'000	Interest Rate
Short term borrowing (secured)						
Bank overdrafts (floating)		100%	1,005	7.39%	1,652	7.35%
Charge card			339		338	
Trade bills (floating)		100%	51,507	3.49%	47,594	3.70%
Hire Purchase (fixed)	100%		756	2.97%	1,235	3.10%
Term loans (floating)		100%	2,120	4.41%	727	4.50%
			<u>55,727</u>		<u>51,546</u>	
Long term borrowing (secured)						
Hire Purchase (fixed)	100%		2,586		2,629	
Term loans (floating)		100%	40,529		12,055	
			<u>43,115</u>		<u>14,684</u>	
Total borrowing			<u>98,842</u>		<u>66,230</u>	

None of the above borrowings are dominated in foreign currencies.

18 LEASE LIABILITIES

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
As at 1 January	1,246	1,749
Additional during the year	285	408
Reassessment / Modification of lease liabilities	(28)	114
Interest expense recognised in profit or loss	20	56
Derecognition due to lease termination	-	(31)
Repayment of principal	(563)	(994)
Repayment of interest expenses	(20)	(56)
	940	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

There were no dividend declared for the quarter under review.

21 CAPITAL COMMITMENTS

	30-Jun 2024 RM'000	30-Jun 2023 RM'000
Approved and contracted for:		
Purchase of property, plant & equipment	7,059	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 30 June 2024 and 30 June 2023 as well as the balances with the related parties as at 30 June 2024 and 31 December 2023:

	Transactions with related parties		Amounts owed by related parties		Amounts due to related parties	
	6 months ended		As At		As At	
	30-Jun 2024 RM'000	30-Jun 2023 RM'000	30-Jun 2024 RM'000	31-Dec 2023 RM'000	30-Jun 2024 RM'000	31-Dec 2023 RM'000
Sales of carton boxes & stationery products #						
Julie's Manufacturing Sdn. Bhd. *	4,390	4,662	2,893	4,423	-	-
STH Wire Industry (M) Sdn. Bhd. @	36	43	10	18	-	-
Sales of waste paper #						
Johmewah Maju Paper Mill Sdn Bhd +	-	456	-	-	-	-
PS3G Sdn Bhd +	-	4	-	-	-	-
Purchase of raw material #						
STH Wire Industry (M) Sdn. Bhd. @	210	201	-	-	51	72
Purchase of paper roll						
Johmewah Maju Paper Mill Sdn Bhd + #	-	9,221	-	-	-	11
PS3G Sdn Bhd +	138	-	-	-	138	54
Maintenance jobs #						
Uptrend Performer Sdn Bhd \$	183	294	-	-	73	80
Rental #						
Fairway Review Sdn Bhd *	330	318	-	-	-	-

- * 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 6 Months ended		
	30-Jun 2024 RM'000	30-Jun 2023 RM'000	Changes (%)	30-Jun 2024 RM'000	30-Jun 2023 RM'000	Changes (%)
	Revenue	67,946	65,238	4.15%	143,574	136,336
Gross Profit	8,356	6,694	24.83%	18,843	14,322	31.57%
Profit Before Interest and Tax	1,693	356	375.56%	4,287	943	354.61%
Profit / (Loss) Before tax	1,579	(105)	1603.81%	3,660	45	8033.33%
Profit / (Loss) After tax	944	(274)	444.53%	2,433	(342)	811.40%
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent	914	(269)	439.78%	2,374	(345)	788.12%

For the quarter under review the Group achieved a revenue of RM 67.946 million, which was 4.15% higher compared to preceding year's corresponding quarter of RM 65.238 million. The higher revenue during the quarter was mainly attributable to higher sales volume for the Group's products.

The Group registered a profit before tax of RM 1.579 million as compared to a loss before tax of RM 0.105 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

	30-Jun 2024 RM'000	31-Mar 2024 RM'000	Changes (%)
Revenue	67,946	75,628	-10.16%
Gross Profit	8,356	10,487	-20.32%
Profit Before Interest and Tax	1,693	2,594	-34.73%
Profit before tax	1,579	2,081	-24.12%
Profit After tax	944	1,489	-36.60%
Profit Attributable to Ordinary Equity Holders of the Parent	914	1,460	-37.40%

The Group's revenue decreased by 10.16% from RM 75.628 million in the immediate preceding quarter to RM 67.946 million in the current quarter mainly due to lower average selling price of the products. This has resulted the Group reported a lower profit before tax of RM 1.579 million as compared to a profit before tax of RM 2.081 million reported in the immediate preceding quarter.

26 COMMENTARY ON PROSPECTS

The Board of Directors maintain a cautious outlook for the Group's performance in the remaining periods for financial year 2024 as the business environment continued to be incredibly challenging following the uncertainty in the global and local economic environment, escalation of costs due to inflationary pressure and stiff price competition in the market which will affect the profit margin of our products.

The Group will continue to focus on its core business and will be taking cautious approaches to mitigate the exposure by improving its operational efficiency, product quality and product innovation as a positive step forward to sustain the Group's business 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	55927625	48	226	21-Jun-24	25-Jul-24
- less than 1 year					
BANK OF CHINA					
Fixed forward	22508806	50	236	13-Jun-24	15-Jul-24
- less than 1 year					

34 RATIONALE FOR ENTERING INTO DERIVATIVES

The Group had entered two fixed forward contract with CIMB Bank Berhad and Bank of China respectively and 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 and purchase of raw material from 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	BANK OF CHINA
Contract no.:	55927625	22508806
Rate contracted:	4.6430	4.6990
Balances as at 30 June (In USD):	47,556	50,000
Rate as at 28 June 2024	4.7100	4.7150
(Gain) / loss on fair value changes of derivatives (In RM)	3,186	(800)

37 TRADE RECEIVABLES

Trade receivables are non-interest bearing and are generally on 30 to 150 (2023: 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	
	30-Jun 2024	30-Jun 2023	30-Jun 2024	30-Jun 2023
	RM'000	RM'000	RM'000	RM'000
Neither past due not impaired	50,109	48,552	4,441	3,245
1 to 30 days past due not impaired	6,001	4,724	-	-
31 to 60 days past due not impaired	940	2,016	-	-
More than 61 days past due not impaired	1,204	1,378	-	-
Total past due not impaired	8,145	8,118	-	-
Impaired	(2,321)	(1,663)	-	-
	55,933	55,007	4,441	3,245

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 COSTCurrent

As at 1 January	-
Addition during the year	12,991
Balance as at 30 June	12,991

Non current

As at 1 January	-
Addition during the year	19,649
Balance as at 30 June	19,649

Represented by:-	
Leasehold land	32,640

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.