

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

	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
		RM'000	RM'000	RM'000	RM'000
Revenue	7	74,440	69,637	218,014	205,973
Cost of sales		(66,372)	(60,029)	(191,103)	(182,043)
Gross profit		8,068	9,608	26,911	23,930
Other items of income					
- Interest income		362	236	1,052	610
- Other income		671	388	1,633	985
Other items of expense					
- Administrative and other expenses		(7,009)	(6,855)	(22,325)	(20,629)
Net impairment losses on financial assets	9(b)	-	(500)	-	(500)
- Finance costs		(857)	(738)	(2,376)	(2,212)
Profit before tax	9	1,235	2,139	4,895	2,184
Income tax expense	10	(133)	(726)	(1,360)	(1,113)
Profit net of tax		1,102	1,413	3,535	1,071
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		1,102	1,413	3,535	1,071
Profit net of tax, attributable to:					
Owners of the parent		1,099	1,399	3,473	1,054
Non-controlling interests		3	14	62	17
		1,102	1,413	3,535	1,071
Earnings per share attributable to owners of the parent (sen per share):					
- Basic	11	1.48	1.89	4.68	1.42
- Diluted	11	1.48	1.89	4.68	1.42

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 SEPTEMBER 2024**

	Note	30 Sep 2024 RM'000	31 Dec 2023 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	103,725	100,796
Property development cost	38	19,809	-
Right of use assets		17,086	17,884
Goodwill	13	1,633	1,633
		<u>142,253</u>	<u>120,313</u>
Current assets			
Inventories		53,447	50,975
Property development cost	38	13,024	-
Right of return assets		56	56
Trade receivables	37	61,579	58,735
Other receivables		726	578
Other current assets		7,237	8,911
Tax recoverable		2,048	2,782
Deposits with licensed banks	14	4,659	4,659
Cash and bank balances	14	65,577	60,751
Derivatives asset		-	37
		<u>208,353</u>	<u>187,484</u>
TOTAL ASSETS		<u>350,606</u>	<u>307,797</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	16	86,407	86,407
Treasury shares	16	(541)	(541)
Retained earnings		113,109	111,119
		<u>198,975</u>	<u>196,985</u>
Non-controlling interests		1,749	1,687
TOTAL EQUITY		<u>200,724</u>	<u>198,672</u>
Non-current liabilities			
Loans and borrowings	17	42,603	14,684
Deferred tax liabilities		10,044	10,256
Lease liabilities	18	301	332
		<u>52,948</u>	<u>25,272</u>
Current liabilities			
Loans and borrowings	17	65,096	51,546
Trade payables		19,155	18,193
Other payables		11,964	12,794
Refund liabilities		332	406
Lease liabilities	18	385	914
Derivatives liabilities		2	-
		<u>96,934</u>	<u>83,853</u>
TOTAL LIABILITIES		<u>149,882</u>	<u>109,125</u>
TOTAL EQUITY AND LIABILITIES		<u>350,606</u>	<u>307,797</u>
NET ASSETS PER SHARE			
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

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(Incorporated in Malaysia)

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

	9 months ended	
	30-Sep-2024	30-Sep-2023
	RM'000	RM'000
Operating activities		
Profit before taxation	4,895	2,184
Adjustments for:		
Depreciation and amortisation :		
- Property, plant & equipment	10,616	11,087
- Right of use assets	1,078	975
Impairment loss on trade and other receivable	-	500
Gain on disposal of property, plant and equipment	(551)	(73)
Bad debts recovered	(2)	-
Fair value changes on derivatives	40	(6)
Interest expense	2,014	1,874
Interest expense on lease liabilities	27	44
Interest income	(1,052)	(610)
Operating cash flows before changes in working capital	<u>17,065</u>	<u>15,975</u>
Working capital adjustments :		
(Increase) / decrease in inventories and right of return assets	(2,472)	9,386
(Increase) in Property development cost	(13,024)	-
(Increase) / decrease in trade and other receivables	(1,990)	8,888
Decrease / (increase) in other current assets	130	(245)
Decrease in payables and refund liabilities	(940)	(1,105)
Cash generated (for) / from operation	<u>(1,231)</u>	<u>32,899</u>
Tax paid	(842)	(1,184)
Net cash flows generated (for) / from operating activities	<u>(2,073)</u>	<u>31,715</u>
Investing activities		
Purchase of property, plant and equipment and right-of-use assets	(12,344)	(8,806)
(Increase) in Property development cost	(19,809)	-
Proceeds from disposal of property, plant and equipment	1,002	73
Interest received	1,052	610
Net cash for investing activities	<u>(30,099)</u>	<u>(8,123)</u>
Financing activities		
Drawdown of term loans	30,552	1,105
Repayment of hire purchase payable	(942)	(1,145)
Repayment of term loans	(1,140)	(944)
Repayment of lease liabilities	(839)	(731)
Drawdown / (Repayment) in short term borrowings	13,706	(11,913)
Interest paid	(2,014)	(1,874)
Interest expense on lease liabilities	(27)	(44)
Dividend paid on ordinary shares	(1,483)	(742)
Net cash from / (for) financing activities	<u>37,813</u>	<u>(16,288)</u>
Net increase in cash and cash equivalents	5,641	7,304
Cash and cash equivalents at 1 January	14 <u>59,099</u>	<u>45,342</u>
Cash and cash equivalents at 30 September	14 <u>64,740</u>	<u>52,646</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 SEP 2024**

	<----- Attributable to owners of the parent ----->					
	< ----- Non Distributable ----- >		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	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	-	-	3,473	3,473	62	3,535
As at 30 September 2024	<u>86,407</u>	<u>(541)</u>	<u>113,109</u>	<u>198,975</u>	<u>1,749</u>	<u>200,724</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	-	-	1,054	1,054	17	1,071
As at 30 September 2023	<u>86,407</u>	<u>(541)</u>	<u>105,606</u>	<u>191,472</u>	<u>1,821</u>	<u>193,293</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 period ended 30 September 2024, 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)

	Effective Date
Amendments to MFRS 121 : Lack of Exchangeability	01-Jan-25
Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
MFRS 18 Presentation and Disclosure in Financial Statements	01-Jan-27
MFRS 19 Subsidiaries without Public Accountability: Disclosures	01-Jan-27
Amendments to MFRS 9 and MFRS 7 : Amendments to the Classification and Measurement of Financial Instruments	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-Sep 2024	30-Sep 2023	30-Sep 2024	30-Sep 2023	30-Sep 2024	30-Sep 2023	30-Sep 2024	30-Sep 2023	30-Sep 2024	30-Sep 2023	30-Sep 2024	30-Sep 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	231,200	216,780	14,885	15,605	3,177	2,109	-	-	(31,248)	(28,521)	218,014	205,973
Profit / (loss)	5,135	2,016	(1,048)	(673)	522	(272)	(301)	-	(635)	(17)	3,473	1,054
Assets	309,743	287,729	18,967	17,515	101,862	102,434	32,833	-	(112,799)	(109,915)	350,606	297,763
Liabilities	121,250	102,842	14,057	11,626	571	932	28,427	-	(14,423)	(10,930)	149,882	104,470

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 for the nine months period was RM231.20 million as compared with the same period in previous year of RM216.78 million, an increase of RM14.42 million or 6.65% driven by higher sale volumes.

In tandem with increase in revenue, this segment reported a higher profit after tax of RM5.135 million for the nine months period as compared with the same period in previous year of RM2.016 million.

Paper stationery products segment :

This segment's revenue for the nine months period was RM14.885 million as compared with the same period in previous year of RM15.605 million, a decrease of RM0.72 million or 4.61%.

This segment reported a higher loss after tax of RM1.048 million for the nine months period as compared with the same period in previous year of RM0.67 million.

Land held for development :

This segment recorded a loss after tax of RM0.30 million for the nine months period in current year.

There was no development works carried out during the period under review.

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	9 Months Ended 30 Sep	
	2024	2023
	RM'000	RM'000
Paper industry	63,792	58,073
Furniture, rubber, hardware & steel	54,699	49,309
Food based & beverage	50,128	52,460
Electronic & electrical	19,787	19,448
Others	29,608	26,683
	<u>218,014</u>	<u>205,973</u>

8 SEASONALITY OF OPERATIONS

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

9 (a) PROFIT BEFORE TAX

	Current quarter		Cumulative quarter	
	3 Months Ended 30 Sep		9 Months Ended 30 Sep	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest income	(362)	(236)	(1,052)	(610)
Interest expense	717	631	2,014	1,874
Interest expense on lease liabilities	7	15	27	44
Depreciation of property, plant & equipment	3,590	3,914	10,616	11,087
Depreciation on right of use assets	354	326	1,078	975
Bad debts recovered	-	-	(2)	-
(Gain) on disposal of property, plant and equipment	(753)	(73)	(1,002)	(73)
(Gain) on foreign exchange - realised	(18)	(30)	(57)	(94)
Loss on foreign exchange - unrealised	4	-	4	-
Fair value changes of derivatives	1	-	40	(6)

9 (b) **IMPAIRMENT LOSSES ON FINANCIAL ASSETS**

Impairment loss on trade and other receivables	-	500	-	500
Reversal of impairment loss on trade and other receivables	-	-	-	-
	-	500	-	500

10 **INCOME TAX EXPENSE**

	Current quarter 3 Months Ended 30 Sep		Cumulative quarter 9 Months Ended 30 Sep	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax	(133)	(726)	(1,572)	(1,299)
Deferred tax	-	-	212	186
	(133)	(726)	(1,360)	(1,113)

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 3 Months Ended 30 Sep		Cumulative quarter 9 Months Ended 30 Sep	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 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)	1,099	1,399	3,473	1,054
Basic earning per share (Sen)	1.48	1.89	4.68	1.42
Diluted earnings per share (Sen)	1.48	1.89	4.68	1.42

12 **PROPERTY, PLANT AND EQUIPMENT**

For the year ended 30 September 2024, assets with a carrying amount of RM450,992 (2023:RM Nil) were disposed off by the Group resulted in a net gain on disposal of RM 550,955 (2023:RM73,000), recognised and included in the statement of profit and loss.

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-Sep 2024 RM'000	31-Dec 2023 RM'000
<u>Condensed consolidated statement of financial position:</u>		
Cash at bank and in hand	65,577	60,751
Short term deposits with licensed banks	4,659	4,659
Cash and bank balances	70,236	65,410
<u>Condensed consolidated statement of cash flows:</u>		
Cash at bank and in hand	65,577	60,751
Short term deposits with licensed banks	4,659	4,659
Bank overdrafts	(837)	(1,652)
Total cash and cash equivalents	69,399	63,758
Less : Deposits pledged to licensed banks	(3,339)	(3,339)
Less: Deposit with tenure more than 3 months	(1,320)	(1,320)
	64,740	59,099

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 Sep 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 Sep 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-Sep	Weighted	31-Dec	Weighted
			2024 RM'000	Average Interest Rate	2023 RM'000	Average Interest Rate
Short term borrowing (secured)						
Bank overdrafts (floating)		100%	837	7.50%	1,652	7.35%
Charge card			172		338	
Trade bills (floating)		100%	61,466	3.54%	47,594	3.70%
Hire Purchase (fixed)	100%		522	2.97%	1,235	3.10%
Term loans (floating)		100%	2,099	4.39%	727	4.50%
			65,096		51,546	
Long term borrowing (secured)						
Hire Purchase (fixed)	100%		2,508		2,629	
Term loans (floating)		100%	40,095		12,055	
			42,603		14,684	
Total borrowing			107,699		66,230	

None of the above borrowings are dominated in foreign currencies.

18 LEASE LIABILITIES

	30-Sep 2024 RM'000	31-Dec 2023 RM'000
As at 1 January	1,246	1,749
Additional during the year	307	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	(839)	(994)
Repayment of interest expenses	(20)	(56)
	686	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-Sep 2024 RM'000	30-Sep 2023 RM'000
Approved and contracted for:		
Purchase of property, plant & equipment	6,968	32,766

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 September 2024 and 30 September 2023 as well as the balances with the related parties as at 30 September 2024 and 31 December 2023:

	Transactions with related parties		Amounts owed by related parties		Amounts due to related parties	
	9 months ended		As At		As At	
	30-Sep 2024 RM'000	30-Sep 2023 RM'000	30-Sep 2024 RM'000	31-Dec 2023 RM'000	30-Sep 2024 RM'000	31-Dec 2023 RM'000
Sales of carton boxes & stationery products #						
Julie's Manufacturing Sdn. Bhd. *	7,001	7,482	2,893	4,423	-	-
STH Wire Industry (M) Sdn. Bhd. @	13	61	10	18	-	-
Sales of waste paper #						
Johmewah Maju Paper Mill Sdn Bhd +	-	612	-	-	-	-
PS3G Sdn Bhd +	153	64	153	-	-	-
Purchase of raw material #						
STH Wire Industry (M) Sdn. Bhd. @	336	258	-	-	80	72
Purchase of paper roll						
Johmewah Maju Paper Mill Sdn Bhd + #	-	12,022	-	-	-	11
PS3G Sdn Bhd +	1,042	1,711	-	-	369	54
Maintenance jobs #						
Uptrend Performer Sdn Bhd \$	417	294	-	-	117	80
Rental #						
Fairway Review Sdn Bhd *	495	477	-	-	-	-

- * 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 9 Months ended		
	30-Sep 2024 RM'000	30-Sep 2023 RM'000	Changes (%)	30-Sep 2024 RM'000	30-Sep 2023 RM'000	Changes (%)
	Revenue	74,440	69,637	6.90%	218,014	205,973
Gross Profit	8,068	9,608	-16.03%	26,911	23,930	12.46%
Profit Before Interest and Tax	1,597	2,549	-37.35%	5,884	3,492	68.50%
Profit Before tax	1,235	2,139	-42.26%	4,895	2,184	124.13%
Profit After tax	1,102	1,413	-22.01%	3,535	1,071	230.07%
Profit Attributable to Ordinary Equity Holders of the Parent	1,099	1,399	-21.44%	3,473	1,054	229.51%

For the quarter under review the Group achieved a revenue of RM74.440 million, which was 6.90% higher compared to preceeding year's corresponding quarter of RM69.637 million. The higher revenue during the quarter was attributable to higher sales volume for the Group's products.

Despite the increase in turnover, the Group registered a lower profit before tax of RM1.235 million as compared to a profit before tax of RM2.139 million reported in the preceeding year's corresponding quarter mainly due to higher input costs.

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

	30-Sep 2024 RM'000	30-Jun 2024 RM'000	Changes (%)
Revenue	74,440	67,946	9.56%
Gross Profit	8,068	8,356	-3.45%
Profit Before Interest and Tax	1,597	1,693	-5.67%
Profit before tax	1,235	1,579	-21.79%
Profit After tax	1,102	944	16.74%
Profit Attributable to Ordinary Equity Holders of the Parent	1,099	914	20.24%

The Group's revenue increased by 9.56% from RM67.946 million in the immediate preceding quarter to RM74.440 million in the current quarter mainly due to higher sales volume of the products.

Despite the increase in revenue, the Group reported a lower profit before tax of RM1.235 million as compared to a profit before tax of RM1.579 million reported in the immediate preceding quarter mainly due to higher input costs.

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 continue to be challenging following the uncertainty in the outlook for the local and global economy, escalation of costs due to inflationary pressure and the stiff price competition in the market which will affect the profit margin of our products.

The Group is committed to maintain its operational efficiencies and competitiveness through initiatives such as optimisation of machine utilisation, wastage control and increase workforce productivity.

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 USD'000	Fair Value RM'000	Book Date	Expiry Date
BANK OF CHINA Fixed forward - less than 1 year	22731279	40	217	5-Aug-24	07-Oct-24

34 RATIONALE FOR ENTERING INTO DERIVATIVES

The Group had entered one fixed forward contract with Bank of China and the details was stated in Note 33. The purpose is to hedge against unfavorable movement in foreign exchange rate in respect of 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

	BANK OF CHINA
Contract no.:	22731279
Rate contracted:	4.4085
Balances as at 30 September (In USD):	40,000
Rate as at 30 September 2024	4.3392
(Gain) / loss on fair value changes of derivatives (In RM)	2,772

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-Sep 2024 RM'000	30-Sep 2023 RM'000	30-Sep 2024 RM'000	30-Sep 2023 RM'000
Neither past due nor impaired	55,443	51,900	4,594	3,787
1 to 30 days past due not impaired	6,448	5,123	-	-
31 to 60 days past due not impaired	825	908	-	-
More than 61 days past due not impaired	693	1,505	-	-
Total past due not impaired	7,966	7,536	-	-
Impaired	(1,830)	(2,142)	-	-
	61,579	57,294	4,594	3,787

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	13,024
Balance as at 30 June	13,024

Non current

As at 1 January	-
Addition during the year	19,809
Balance as at 30 June	19,809

Represented by:-

Leasehold land	32,833
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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.