



SENG FONG HOLDINGS BERHAD

(Registration No. 202101022910 (1423210-X))

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD (3RD)
QUARTER ENDED 31 MARCH 2024**

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

	Note	Individual Quarter		Cumulative Quarter	
		(Unaudited) Current Year Quarter 31/03/2024 RM'000	(Unaudited) Preceding Year Corresponding Quarter 31/03/2023 RM'000	(Unaudited) Current Year To Date 31/03/2024 RM'000	(Unaudited) Preceding Year To Date 31/03/2023 RM'000
Revenue		300,319	215,718	807,353	698,183
Cost of Sales		(267,418)	(199,370)	(730,986)	(650,876)
Gross Profit		32,901	16,348	76,367	47,307
Other Income		935	227	3,362	1,580
Selling Expenses		(4,131)	(4,262)	(12,577)	(13,343)
Administrative Expenses		(2,124)	(2,015)	(7,027)	(5,855)
Other Expenses		(5,043)	(5,416)	(2,200)	(4,878)
Finance Costs		(2,497)	(1,123)	(4,475)	(2,446)
Profit Before Tax	B12	20,041	3,759	53,450	22,365
Taxation	B5	(4,897)	291	(12,609)	(2,741)
Total comprehensive income		15,144	4,050	40,841	19,624
Profit After Tax Attributable To:					
Owners of the Company		15,144	4,050	40,841	19,624
Total Comprehensive Income Attributable To:					
Owners of the Company		15,144	4,050	40,841	19,624
Attributable to Equity Holders of the Company:					
Basic earnings per share (sen) ⁽²⁾	B11	2.92	0.78	7.87	3.78
Diluted earnings per share (sen) ⁽³⁾	B11	2.92	0.78	7.87	3.78

Notes:

- (1) The basis of preparation of the Unaudited Condensed Combined Statements of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statement for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic earnings per share is calculated based on the Company's weighted average number of ordinary shares as referred to in Note B11.
- (3) Diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the reporting period.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED COMBINED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Note	Unaudited As at 31/03/2024 RM'000	Audited As at 30/06/2023 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	A10	47,773	42,910
Right-of-use assets		6,643	6,726
		<u>54,416</u>	<u>49,636</u>
Current Assets			
Inventories		311,563	85,599
Trade and other receivables		69,613	77,433
Current tax assets		-	1,065
Derivative assets		1,492	1,176
Deposits, bank and cash balances		10,770	105,194
		<u>393,438</u>	<u>270,467</u>
TOTAL ASSETS		<u>447,854</u>	<u>320,103</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		143,923	143,923
Merger reserve		(71,845)	(71,845)
Retained profits		131,988	98,931
TOTAL EQUITY		<u>204,066</u>	<u>171,009</u>
Non-Current Liabilities			
Bank borrowings	B8	3,097	4,810
Deferred tax liabilities		5,820	5,168
		<u>8,917</u>	<u>9,978</u>
Current Liabilities			
Trade and other payables		16,928	9,633
Bank borrowings	B8	207,907	126,000
Derivative liabilities	B9	2,316	868
Current tax liabilities		7,720	20
Dividend payable		-	2,595
		<u>234,871</u>	<u>139,116</u>
TOTAL LIABILITIES		<u>243,788</u>	<u>149,094</u>
TOTAL EQUITY AND LIABILITIES		<u>447,854</u>	<u>320,103</u>
NET ASSETS PER ORDINARY SHARE (RM) ⁽²⁾		0.39	0.33

Notes:

- (1) The basis of preparation of the Unaudited Condensed Combined Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statement for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the Company's number of ordinary shares at the end of the reporting year of 518,960,000 shares.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED COMBINED STATEMENTS OF CHANGES IN EQUITY⁽¹⁾

	<u>Non-distributable</u>		<u>Distributable</u>	<u>Total Equity</u>
	<u>Share Capital</u>	<u>Merger Reserve</u>	<u>Retained Profits</u>	
	RM'000	RM'000	RM'000	
Unaudited				
As at 1 July 2023 (Audited)	143,923	(71,845)	98,931	171,009
Contributions by and distributions to owners of the Group				
Total comprehensive income for the period	-	-	40,841	40,841
Dividends	-	-	(7,784)	(7,784)
As at 31 March 2024 (Unaudited)	143,923	(71,845)	131,988	204,066

Unaudited				
As at 1 July 2022 (Audited)	77,845	(71,845)	104,873	110,873
Contributions by and distributions to owners of the Group				
- Issuance of shares	68,111	-	-	68,111
- Capitalised of listing expense	(2,033)	-	-	(2,033)
Total transactions with owners of the Group	66,078	-	-	66,078
Total comprehensive income for the period	-	-	19,624	19,624
Dividends	-	-	(20,758)	(20,758)
As at 31 March 2023 (Unaudited)	143,923	(71,845)	103,739	175,817

Note:

- (1) The basis of preparation of the Unaudited Condensed Combined Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statement for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2024**UNAUDITED CONDENSED COMBINED STATEMENTS OF CASH FLOWS ⁽¹⁾**

	Unaudited Current Year 9 Months Ended 31/03/2024 RM'000	Unaudited Preceding Corresponding 9 Months Ended 31/03/2023 RM'000
Cash Flow From Operating Activities		
Profit before tax	53,450	22,365
Adjustments for:		
Depreciation of property, plant and equipment	2,075	1,923
Depreciation of right-of-use assets	84	93
Gain on disposal of property, plant and equipment	(50)	
Fair value (gain) / loss on derivative	1,132	(65)
Listing expense	-	558
Property, plant and equipment written off	4	3
Unrealised (gain) / loss on foreign exchange	1,064	(790)
Interest expenses	4,475	2,446
Interest income	(813)	(421)
Operating profit before working capital changes	61,421	26,041
Changes in working capital		
Inventories	(225,964)	(39,677)
Trade and other receivables	7,168	19,836
Trade and other payables	6,682	(26,548)
Cash For Operations	(150,693)	(20,348)
Interest paid	(4,475)	(2,446)
Interest received	813	421
Tax paid	(3,191)	(6,257)
Net Cash Used In Operating Activities	(157,546)	(28,630)
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	60	96
Proceeds from issuance of ordinary shares	-	68,111
Purchase of property, plant and equipment	(6,352)	(5,199)
Net Cash For / (Used In) Investing Activities	(6,292)	63,008
Cash Flows From Financing Activities		
Advance for ultimate holding company	-	(510)
Dividend paid	(10,379)	(20,758)
Net movement in trade bills	83,262	45,864
Payment of listing expense	-	(558)
Repayment of term loans	(2,540)	(1,051)
Net Cash Flows For Financing Activities	70,343	22,987
Net Changes In Cash and Cash Equivalents	(93,495)	57,365
Cash and Cash Equivalents at Beginning of the Financial Period	104,265	8,869
Cash and Cash Equivalents at End of the Financial Period	10,770	66,234

Note:

- (1) The basis of preparation of the Unaudited Condensed Combined Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statement for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to this interim financial report.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS
("MFRS") 134: INTERIM FINANCIAL REPORTING**

A1 Basis of Preparation

The interim financial statements of Seng Fong Holdings Berhad ("Company") and its subsidiary ("Group") are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statement for the financial year ended 30 June 2023 and the accompanying explanatory note attached to this interim financial report.

A2 Significant Accounting Policies

The significant accounting policies and presentation adopted for the interim financial statements are consistent with those adopted as disclosed in the audited financial statement for the financial year ended 30 June 2023, except for the adoption of the following new amendments to MFRSs:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules	1 January 2023
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The Group has not applied in advance any accounting standards and / or interpretations (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for the financial year ending 30 June 2024.

A3 Auditors' Report on Preceding Annual Financial Statements

There was no qualified report issued by the auditors in the financial statements of the Group for the financial year ended 30 June 2023.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2024

A4 Seasonality or Cyclicity of Operations

There were no material seasonal or cyclical factors affecting the business operations of the Group in the current quarter.

A5 Unusual Items

There were no material unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the current financial period under review.

A6 Material Changes in Estimates

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

A7 Debt and Equity Securities

Save as disclosed in B6, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

A8 Dividend Paid

The dividends paid during the financial period were as follow:

Type Of Dividend	Dividend Per Share	Financial Year Ended	Amount RM'000	Entitlement Date	Payment Date
Fourth interim single tier	0.5 sen	30.06.2023	2,595	15.09.2023	06.10.2023
First interim single tier	1.0 sen	30.06.2024	5,190	15.12.2023	05.01.2024
Second interim single tier	1.5 sen	30.06.2024	7,784	15.03.2023	05.04.2024

A9 Segment Information

The operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely processing and sale of natural block rubber.

Segment assets is not presented, as all non-current assets are located in Malaysia.

Segmental revenue is presented based on the geographical location of the customers.

	Individual Quarter		Cumulative Quarter	
	Unaudited 31/03/2024 RM'000	Unaudited 31/03/2023 RM'000	Unaudited 31/03/2024 RM'000	Unaudited 31/03/2023 RM'000
China	82,380	101,315	291,027	334,051
Hong Kong (Republic of China)	128,538	53,026	266,028	162,797
Singapore	84,263	60,896	242,863	192,673
Taiwan	-	-	-	4,542
Others	5,138	481	7,435	4,120
Total	300,319	215,718	807,353	698,183

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2024

A10 Valuation of Property, Plant and Equipment

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

A11 Capital Commitments

The material capital commitments of the Group as at 31 March 2024 are as follow:

Contracted but not provided for:	RM'000
Biomass System	895
Smart Rubber Manufacturing Equipment	4,090

A12 Material Subsequent Event

On 1 December 2023, Syarikat Tenaga (Gemas) Sdn Bhd, a wholly-owned subsidiary of the Company had entered into the sales contract with Guangdong Ruobo Intelligent Robot Co Ltd to purchase the Smart Rubber Manufacturing Equipment at a purchase price amounting to RMB10,430,000.00 (Renminbi Ten Million Four Hundred and Thirty Thousand) or equivalent to approximately RM6,779,500.00 (Ringgit Malaysia Six Million Seven Hundred Seventy Nine Thousand Five Hundred) to the adoption of Industry 4.0 towards automation in manufacturing processes.

On 2 April 2024, the Supplementary Agreement had been signed by both parties for the additional of Smart Rubber Manufacturing Equipment at a purchase price of RMB1,255,000.00 (Renminbi One Million Two Hundred Fifty Five Thousand) or equivalent to approximately RM824,000.00 (Ringgit Malaysia Eight Hundred Twenty Four Thousand).

Save as disclosed above, there were no other material events subsequent to the end of the current financial period that have not been reflected in the interim financial reports for the said period as at the date of this report.

A13 Changes in the Composition of the Group

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

A14 Contingent Liabilities

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

A15 Significant Related Party Transactions

	Individual Quarter		Cumulative Quarter	
	Unaudited	Unaudited	Unaudited	Unaudited
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM'000	RM'000	RM'000	RM'000
Companies in which person(s) connected to director has substantial financial interests				
Purchase of indirect materials	85	6	321	104
Sundry supplies	44	27	76	84
Transport service	2,391	1,922	5,731	4,886

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2024

B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of Performance

The Group's performance for the second quarter ended 31 March 2024 (Q3FY2024) compared with the previous corresponding second quarter ended 31 March 2023 (Q3FY2023) are tabled below:

Description	Individual Quarter			Cumulative Quarter		
	Q3FY2024 RM'000	Q3FY2023 RM'000	Variance %	Q3FY2024 RM'000	Q3FY2023 RM'000	Variance %
Revenue	300,319	215,718	39.2	807,353	698,183	15.6
Profit before tax ("PBT")	20,041	3,759	426.3	53,450	22,365	138.8

The Group recorded a revenue of RM300.3 million for the individual Q3FY2024 increased by RM84.6 million or approximately 39.2% compared to RM215.7 million for the individual Q3FY2023. The increase of revenue from Processing Segment was mainly due to the increase of sales volume by 8,165 MTS or 23.6% to 42,679 MTS in Q3FY2024 (Q3FY2023: 34,514 MTS) and the increase in average selling price of RM7,037 per MTS in Q3FY2024 (Q3FY2023: RM6,036 per MTS). The increase of the sales volume in Q3FY2024 was contributed from the increase in production hours by adding a second working shift in all the three factories.

The Group's PBT for the cumulative Q3FY2024 increased by RM31.1 million or approximately 138.8% to RM53.5 million compared to RM22.4 million for the cumulative Q3FY2023. The increase in PBT was in line with the increase in sales volume in the current financial quarter under review. In addition, the lower diesel cost of RM6.1 million for the cumulative Q3FY2024 (Q3FY2023: RM11.2 million) and partially offset of wooden chips cost of RM2.3 million after the operation of both Biomass System.

B2 Comparison with Immediate Preceding Quarter's Results

The Group's performance for the second quarter ended 31 March 2024 (Q3FY2024) compared with the preceding financial quarter ended 31 December 2023 (Q2FY2024) are tabled below:

Description	Q3FY2024 RM'000	Q2FY2024 RM'000	Variance %
Revenue	300,319	287,638	4.4
Profit before tax ("PBT")	20,041	22,602	(11.5)

The Group's revenue for the Q3FY2024 increased by RM12.7 million or approximately 4.4% to RM300.3 million compared to RM287.6 million in the Q2FY2024. The increase in revenue in Q3FY2024 was driven mainly from the increase in average selling price of RM7,037 per MTS in Q3FY2024 (Q2FY2024: RM6,724 per MTS).

However, the Group's PBT for the Q3FY2024 decreased by RM2.6 million or approximately 11.5% to RM20.0 million compared to RM22.6 million in the Q2FY2024. The decrease in PBT was attributable to the reversal of fair value gain of RM2.3 million on forward foreign exchange contract which was recognized in previous financial quarter under review.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2024

B3 Prospects and Outlook for the Current Financial Year

The economy of US and China continue to show a positive business environment that would escalate the consumption of natural rubber due to the growth of automotive industry on the electric vehicles. The Group continue to increase its market share following the completion of increasing production hours in all the three factories by adding a second working shift, thus increasing our production hours from 12 hours a day to 18 hours a day. Therefore, our total annual capacity is expected to expand to approximately 190,000 MTS in financial year 2024 compared with approximately 166,000 MTS in financial year 2023.

On the announcement made on 23 February 2024 and 27 February 2024, the Group intends to utilise approximately RM23.4 million, being 60.2% of the total proceeds raised from the Proposed Private Placement, as source of fund to part finance the installation of Smart Rubber Manufacturing Equipment in Factory 1, Factory 2 and Factory 3 to automate the Group's manufacturing process. The installation of the said system which adopts intelligent technology, automates its existing processing line with digital control, and the use of robotic arms and automated guided vehicle. This allows reduction in manual labour, enhances quality assurance and product consistency.

The total cost for installing the Smart Rubber Manufacturing Equipment for Factory 1, Factory 2 and Factory 3 is estimated to be approximately Renminbi ("RMB") 39.0 million (equivalent to approximately RM26.1 million). Hence, the cost for installation in 1 factory is estimated to be approximately RMB13.0 million (equivalent to approximately RM8.7 million). Presently, the Group had engaged its vendor, Guangdong Ruobo Intelligent Robot Co Ltd for installation at Factory 2 in which approximately RM2.7 million initial upfront payment has been made using internally generated funds. The balance payment for installing the Smart Rubber Manufacturing Equipment in all 3 factories of approximately RM23.4 million will be fully funded via the proceeds raised from the Proposed Private Placement earmarked under capital expenditure.

Despite the expectation on the Fed's interest rate cut which will have effects on foreign exchange movements, the Board remains cautiously optimistic in achieving sustainable growth in their operations and good financial performance in their operations for financial year ending 30 June 2024. Nevertheless, the Board will remain vigilant and will continue to exercise prudence in managing the operations of the Group.

B4 Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast or profit guarantee in the current financial period under review.

B5 Tax Expense

The effective tax rate is slightly lower than statutory tax rate principally attributable to the capital allowance on solar system which can be utilised to offset against statutory income in the year of assessment 2024.

	Individual Quarter		Cumulative Quarter	
	Unaudited 31/03/2024 RM'000	Unaudited 31/03/2023 RM'000	Unaudited 31/03/2024 RM'000	Unaudited 31/03/2023 RM'000
Current tax expense				
- Provision for the period	4,489	1,470	11,852	4,502
- Over provision in the prior year	105	(1,761)	105	(1,761)
Deferred taxation	303	-	652	-
	<u>4,897</u>	<u>(291)</u>	<u>12,609</u>	<u>2,741</u>

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2024

B6 Status of Corporate Proposals

On behalf of the Board of Directors of Seng Fong, Hong Leong Investment Bank Berhad had made an announcement on 23 February 2024 that the Company is proposing to undertake the following Corporate Proposals:

(i) private placement of up to 51,896,000 new ordinary shares in Seng Fong (“Seng Fong Shares” or “Shares”), representing up to 10.0% of the total number of issued Shares to third party investor(s) to be identified later at an issue price to be determined later (“Proposed Private Placement”); and

(ii) bonus issue of up to 190,285,333 Shares (“Bonus Shares”) on the basis of 1 Bonus Share for every 3 existing Shares held by entitled shareholders of the Company whose names appear in the record of depositors of the Company on an entitlement date to be determined and announced later (“Proposed Bonus Issue”).

The listing applications in relation to the Proposals had been submitted to Bursa Securities on 15 March 2024 and the approval from Bursa Securities had been obtained on 21 March 2024 and 22 March 2024 respectively.

The first tranche of the Private Placement was completed on 26 April 2024 following the listing of and quotation for 22,281,000 shares on the Main Market of Bursa Malaysia Securities Berhad, at an issue price of RM0.98 per Placement Share.

Save as disclosed above, there were no other corporate proposals announced and/or not implemented as at the date of this report.

B7 Utilisation of Proceeds Raised from the IPO

On 23 December 2022, the Board had announced a variation of the utilisation of proceeds to re-allocate the remaining unutilised sum amounting to RM10.0 million originally earmarked for repayment or bank borrowings, to be utilised as working capital in conjunction with the listing of and the quotation of its entire share capital on the Main Market of Bursa Malaysia Securities Berhad on 7 July 2022.

On 7 July 2023, the Board had on even date approved the extension of the utilisation timeframe for the balance of the listing proceeds of approximately RM1.44 million for a period of 6 months for the commissioning of the Biomass System.

On 6 January 2024, the Board had resolved to further extend the utilisation timeframe for the balance of the Listing Proceeds of approximately RM0.89 million for another period of 6 months having noted additional time required for further fine-tuning by the vendor after the commissioning of the Biomass System.

The gross proceeds from the IPO amounting to RM68.11 million is intended to be utilised in the following manner:

Details of Use of Proceeds	Proposed		Actual		Balance	Estimated Timeframe for Utilisation Upon Listing ⁽¹⁾
	Utilisation	Variation	Utilisation	Deviation		
	RM'000	RM'000	RM'000	RM'000	RM'000	
Working Capital	19,722	10,000	(29,722)	-	-	Within 12 months
Repayment of bank borrowings	37,862	(10,000)	(27,862)	-	-	Within 6 months
Installation of Biomass System	6,250	-	(5,355)	-	895	Within 24 months
Listing Expenses	4,277	-	(4,405)	(128)	-	Within 2 months
	68,111	-	(67,344)	(128)	895	

Note:

(1) From the date of listing of the Company on the Main Market of Bursa Securities on 7 July 2022.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2024

B8 Group's Borrowings and Debt Securities

The Group's borrowings are as follows:

	Unaudited As At 31/03/2024 RM'000	Audited As At 30/06/2023 RM'000
Non-current		
Unsecured - Term loans in USD	3,097	4,810
	3,097	4,810
Current		
Unsecured - Bank overdraft	-	928
Unsecured - Trade bills in RM	64,600	-
Unsecured - Trade bills in USD	140,947	122,739
Unsecured - Term loans in USD	2,360	2,333
	207,907	126,000
Total borrowings	211,004	130,810

B9 Financial Instruments - Derivatives

The Group uses derivative financial instruments, mainly foreign exchange forward contracts to hedge its exposure to fluctuations in foreign exchange arising from sales and purchase. The Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial assets and liabilities are initially recognised and subsequently measured at fair value. The fair values of derivatives are determined based on market data (primarily exchange rate) to calculate the present value of all estimated flows associated with each derivative at the balance sheet date. Foreign exchange forward contracts of the Group have been measured at fair value and the changes in the fair value are recognised in profit or loss.

	Unaudited As at 31/03/2024		Audited As at 30/06/2023	
	Contract/ Notional Amount RM'000	Fair Value (Gain) / Loss Amount RM'000	Contract/ Notional Amount RM'000	Fair Value (Gain) / Loss Amount RM'000
Forward currency contracts				
Less than one year	202,350	1,132	203,520	(311)
	202,350	1,132	203,520	(311)

B10 Material Litigation

There were no material litigation involving the Group as at the date of this report.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2024

B11 Earnings Per Share

The basic and diluted earnings per share for the current financial quarter and financial year to date are computed as follows:

		Unaudited Current Quarter 31/03/2024 RM'000	Unaudited Current Year To Date 31/03/2024 RM'000
Profit after tax attributable to			
owners of the Company	(RM)	15,144	40,841
Number of ordinary shares ('000)	(shares)	518,960	518,960
Basic earnings per share ⁽¹⁾	(sen)	2.92	7.87
Diluted earnings per share ⁽²⁾	(sen)	2.92	7.87

Notes:

- (1) Basic earnings per share is calculated based on the Company's enlarged issued share capital of 518,960,000 ordinary shares upon listing.
- (2) The diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the reporting period.

B12 Profit Before Tax

Profit before tax for the period has been arrived at after (crediting) / charging:

	Unaudited Current Quarter 31/03/2024 RM'000	Unaudited Current Year To Date 31/03/2024 RM'000
Fair value loss on derivative	3,416	1,132
Interest income	(36)	(813)
Realised (gain) / loss on foreign exchange	1,312	(1,510)
Depreciation		
- property, plant and equipment	723	2,075
- right-of-use assets	28	84
Interest expenses	2,497	4,475
Property, plant and equipment written off	1	4
Unrealised loss on foreign exchange	314	1,064
	<u>314</u>	<u>1,064</u>

B13 Proposed Dividends

The Board of Directors declared the payment of third interim single tier dividend of 1.50 sen per share on the enlarged share capital 541,241,000 shares of approximately RM8.12 million in respect of the financial year ending 30 June 2024, payable on 19 June 2024 to depositors registered in the Records of Depositors at close of business on 20 May 2024.

BY ORDER OF THE BOARD

SENG FONG HOLDINGS BERHAD

6 May 2024

(The rest of the page is intentionally left blank)