



MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)

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

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>Current Year</u>	<u>Preceding Year</u>	<u>Current Year</u>	<u>Preceding</u>
	<u>Quarter</u>	<u>Corresponding</u>	<u>to date</u>	<u>Period</u>
	<u>31/3/2024</u>	<u>31/3/2023</u>	<u>31/3/2024</u>	<u>31/3/2023</u>
	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>
Continuing Operations:				
Revenue	48,503	47,882	48,503	47,882
Cost of sales	(48,806)	(47,431)	(48,806)	(47,431)
Gross profit	(303)	451	(303)	451
Other operating income	5,613	3,772	5,613	3,772
Finance cost	(245)	(261)	(245)	(261)
Profit before tax	5,065	3,962	5,065	3,962
Income tax expense	(1,284)	(1,121)	(1,284)	(1,121)
Profit for the period from continuing operations	3,781	2,841	3,781	2,841
Loss from discontinued operation	-	-	-	-
Profit for the period	3,781	2,841	3,781	2,841
Other Comprehensive Income:				
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	3,781	2,841	3,781	2,841
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	3,577	2,316	3,577	2,316
- loss from discontinued operations				
Non-Controlling Interest	204	525	204	525
Profit for the period	3,781	2,841	3,781	2,841
Total comprehensive income attributable to:				
Owners of the Parent	3,577	2,316	3,577	2,316
Non-Controlling Interest	204	525	204	525
	3,781	2,841	3,781	2,841
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	1.00	0.65	1.00	0.65

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2023)



INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31/3/2024 RM'000	Audited As at 31/12/2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	118,971	99,489
Investment properties	194,983	195,264
Right of use assets	23,915	24,868
Land held for investment	2,500	2,500
	340,369	322,121
Current Assets		
Inventories	94,161	96,476
Property development cost	-	-
Trade receivables	28,959	26,160
Other receivables	4,428	7,941
Tax recoverable	2,165	2,139
Short-term investments	7,341	10,322
Derivative financial assets	-	160
Fixed deposit with licensed banks	19,851	19,350
Cash and bank balances	31,366	32,630
	188,271	195,178
TOTAL ASSETS	528,640	517,299
EQUITY AND LIABILITIES		
Equity attributable to owner of the parents		
Share capital	206,368	206,368
Share capital-excess from resale of treasury shares	-	-
Share premium	-	-
Treasury shares	-	-
Reserves attributable to revenue	-	-
Other reserves	13,464	13,464
Retained earnings-profit/(loss)	184,444	180,867
	404,276	400,699
Non-controlling interest	40,704	41,249
Total Equity	444,980	441,948
Non-current liabilities		
Deferred tax liabilities	12,490	12,489
Lease liabilities	8,278	8,897
Loan and borrowings	9,001	114
	29,769	21,500
Current Liabilities		
Trade payables	17,570	11,644
Other payables	8,575	12,862
Provision for liabilities	126	127
Lease liabilities	10,795	10,960
Loan and borrowings	15,165	16,677
Derivative financial liabilities	-	-
Tax Payable	1,660	1,581
	53,891	53,851
Total Liabilities	83,660	75,351
TOTAL EQUITY AND LIABILITIES	528,640	517,299
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.13	1.12

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2023)



MINHO (M) BERHAD_{199001009358(200930 – H)}
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the company →												
	Share Capital	Share Capital- Excess from resale of treasury shares	← Non-distributable →					Distributable			Total	Non-Controlling Interest	Total Equity
			Share Premium	Treasury Shares	Reserve on consolidation	Asset revaluation reserves	Equity component from the replacement warrants	Retained Earnings/(Losses)					
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Period ended 31 March 2024													
Balance as at 01.01.2024	206,368	-	-	-	13,464	-	-	180,867	400,699	41,249	441,948		
Total comprehensive income for the period						-		3,577	3,577	204	3,781		
Non-controlling interest								-	-	-	-		
Issuance of ordinary shares pursuant to: - Exercise of warrants	-								-		-		
Dividend distributed to Non-Controlling Interest									-	(749)	(749)		
Balance as at 31.3.2024	206,368	-	-	-	13,464	-	-	184,444	404,276	40,704	444,980		
Period ended 31 March 2023													
Balance as at 01.01.2023	206,368	-	-	-	13,464	-	-	175,409	395,241	40,623	435,864		
Total comprehensive income for the period								2,316	2,316	525	2,841		
Non-controlling interest								-	-	-	-		
Issuance of ordinary shares pursuant to: - Exercise of warrants									-	-	-		
Dividend distributed to Non-Controlling Interest									-	(1,585)	(1,585)		
Balance as at 31.3.2023	206,368	-	-	-	13,464	-	-	177,725	397,557	39,563	437,120		

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2023)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

(The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year to date 31/3/2024 RM'000	Cumulative Period Preceding Period Ended 31/3/2023 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	5,065	3,962
Adjustments for :		
Depreciation, amortisation and impairment losses	1,788	1,704
Interest income	(270)	(140)
Interest expenses	245	261
Share of profit in associates	-	-
Fair value gain of financial instruments measured at fair	-	-
Provision:		
Provision for doubtful debts	-	-
Write back of provision for doubtful debts	-	-
Write down of inventories	-	-
Write back of stock value	-	-
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	(635)	(176)
Asset written off	-	-
Operating profit before changes in working capital	6,193	5,611
Net change in current assets	6,516	4,979
Net change in current liabilities	1,638	(3,948)
Cash flow from operation	14,347	6,642
Taxes paid	(1,338)	(1,449)
Taxes refunded	298	-
Net Cash Flows From Operating Activities	13,307	5,193
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(1,675)	(2,981)
Purchase of freehold land	(16,571)	(5,400)
Purchased freehold land for property development	-	-
Purchase of financial assets	-	-
Acquisition of additional investment in a subsidiary	-	(4,000)
Proceeds from sale of non-current assets	635	176
Increase/(Decrease) in deposit with licensed bank & short term investments	-	-
Reclassified deposit with licensed bank to other investment	-	-
Dividend received	-	-
Net Cash Used in Investing Activities	(17,611)	(12,205)
Cash Flows From Financing Activities:		
Issue of ordinary shares	-	-
Acquisition of treasury shares	-	-
Distribution of Dividends	-	-
Proceed from exercised of Warrants	-	-
Bank borrowings and other liabilities (Net)	1,798	5,475
Repayment of hire purchase obligations	(426)	(768)
Dividends paid to non-controlling interest in subsidiary company	(749)	(1,585)
Net Cash Flows From Financing Activities	623	3,122
Net Increase in Cash and Cash Equivalents	(3,681)	(3,890)
Cash and Cash Equivalents at the beginning of the year	62,302	67,691
Effects of changes in foreign exchange rates	(63)	(386)
Cash and Cash Equivalents at end of the period	58,558	63,415
Cash and cash equivalent comprise the following:-		
Bank and cash balances	31,366	30,841
Short-term investments and Deposit with license bank	27,192	32,574
	58,558	63,415

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2023)



INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134: INTERIM FINANCIAL STATEMENT.

1. Basis of preparation and Accounting Policies.

The interim financial statements are unaudited and has been prepared in accordance with the reporting requirements outlined in Financial Reporting Standards ("FRS") 134: "Interim Financial Reporting" and Paragraph 9.22 of the Bursa Malaysia Securities Berhad (Bursa) Main Market Listing Requirements.

The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2023. It contains unaudited condensed consolidated financial statements and selected explanatory notes. These explanatory notes 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. The condensed consolidated interim financial report and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Financial Reporting Standards (FRSs).

1.1. Significant Accounting Policies

The significant accounting policies and method of computation adopted by the Group are consistent with those of the audited financial statements for the financial year ended 31 December 2023, except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and Interpretations by the Group. The significant accounting policies adopted in the preparation of this interim financial report are consistent with those in the audited financial statements for the year ended 31 December 2023.

The following new and amended MFRSs and IC Interpretations mandatory for annual financial periods:-

- (i) Effective for annual periods beginning on or after 1 January 2024**
 - Amendments to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
 - Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
 - Amendments to MFRS 101, Presentation of Financial Statements - Non-current liabilities with Covenants
 - Amendments to MFRS 107, Statements of Cash Flow and MFRS 7 Financial Instruments Disclosures - Supplier Finance Arrangements
- (ii) Effective for annual periods beginning on or after 1 January 2025**
 - Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability
- (iii) Effective date yet to be determined**
 - Amendments to MFRS 10, Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
 - Amendments to MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

2. Auditors' Report On Preceding Annual Financial Statements

The auditors' report of the audited financial statements for the financial year ended 31 December 2023 was not subject to any qualification.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

(The figures have not been audited)

3. Seasonal or Cyclical Factors

The business operations of the Group are generally affected negatively by the monsoon seasons and the major festive seasons namely Hari Raya Aidilfitri and Chinese New Year holidays. Such occasions not only undoubtedly limit our ability to undertake certain operational activities at our end; they do also, by and large, curtail demand from our customers, who are themselves also negatively impacted by these factors.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows.

5. Changes In Estimates of Amounts Reported Previously

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years which may have a material effect on the current interim period.

6. Issuances and Repayments of Debt and Equity Securities

There were no issuances or repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Company for the financial period ended 31 March 2024.

7. Dividends Paid

There were no dividends declared and paid by the Company for the financial period ended 31 March 2024.

8. Segment Information

The Group's segment information for the financial period ended 31 March 2024 is as follows :-

	Timber Extraction RM'000	Timber Trading RM'000	Manufacturing RM'000	Services & Treatment RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Total RM'000
2024								
Revenue								
<i>External Sales</i>	-	16,306	24,619	5,840	-	1,738		48,503
<i>Inter segmental sales</i>	-	608	690	1,525	-	636	(3,459)	-
Total Revenue	-	16,914	25,309	7,365	-	2,374		48,503
Segments Profits/(Loss) Before Tax	-	1,286	2,028	335	42	2,354	(980)	5,065
Depreciation and amortisation	-	399	755	437	7	190		1,788
Rental income of land and buildings	-	1,983	48	2,674	90	-	(3,589)	1,206
Net foreign exchange Gain/(loss) on disposal of property, plant and equipment	-	(53)	(10)	-	-	-		(63)
Finance cost	-	69	131	45	-	-		245
Interest Income	-	70	150	22	5	23		270
Tax Expenses	-	258	501	81	11	433		1,284
Segments Assets	-	160,287	127,585	183,850	12,240	47,567	(2,889)	528,640
Other Investment								-
Total Segments Assets								528,640
Segment Liabilities	-	13,253	34,998	31,918	109	2,846	536	83,660

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

(The figures have not been audited)

	Timber Extraction RM'000	Timber Trading RM'000	Manufacturing RM'000	Services & Treatment RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Total RM'000
2023								
Revenue								
<i>External Sales</i>	-	18,883	22,266	6,498	-	235		47,882
<i>Inter segmental sales</i>	-	880	731	1,043	-	8,350	(11,004)	-
Total Revenue	-	19,763	22,997	7,541	-	8,585		47,882
Segments Profits/(Loss) Before Tax	(42)	2,357	1,215	761	47	8,152	(8,528)	3,962
Depreciation and amortisation	-	330	707	478	6	183		1,704
Rental income of land and buildings	-	1,845	353	1,178	90	-	(500)	2,966
Net foreign exchange	-	(93)	(293)	-	-	-		(386)
Gain/(loss) on disposal of property, plant and equipment	-	43	128	5	-	-		176
Finance cost	-	84	179	5	-	-	(7)	261
Interest Income	-	54	71	1	7	7	-	140
Tax Expenses	-	592	324	183	-	22		1,121
Segments Assets	403	143,839	125,668	173,432	12,110	47,007	(3,638)	498,821
Other Investment								-
Total Segments Assets								498,821
Segment Liabilities	3	14,492	22,264	21,749	109	3,649	(565)	61,701

9. Property, Plant, and Equipment.

Carrying Amount of Revalued Assets

The valuations of property, plant, and equipment have been brought forward without amendment from the financial statements for year ended 31 December 2023.

10. Material events Subsequent to the End of the Interim Reporting Period

There are no material events subsequent to the financial period ended 31 December 2023 that have not been reflected in the related financial statements.

11. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the financial period ended 31 March 2024.

12. Contingent Liabilities – Unsecured

As at 31 March 2024, the Company had contingent liabilities in the form of corporate guarantees given to financial institutions in respect of facilities granted to subsidiary companies amounting to RM90,313,000, of which an amount of RM16,001,523 were utilized.

13. Capital Commitments

There are no material capital commitments as at the date of this announcement.


INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

(The figures have not been audited)

14. Related Party Transactions.

The summary of related party transactions for current quarter and cumulative period to date is as follows:-

Related Party	Nature of Recurrent Transaction(s)	Recurrent Transaction with Minho or Subsidiary Company	Frequency of Transaction	Total Value (Transaction For The Year) 1/1/2024 to 31/03/2024 (RM ' 000)		Approved Value 27/06/2023 to next AGM (RM ' 000)		Balance due to / from the companies 31/3/2024 (RM ' 000)	
				Receivables	Payables	Receivables	Payables	Receivables	Payables
D M Timber Sdn Bhd ("DM")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		691		15,000		1,575
Lucky Star Diversified Sdn Bhd ("LSDSB")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		709		20,000		709
Minho Kilning (Klang) Sdn Bhd ("MKK")	⁽ⁱ⁾ Rental & Storage Charges	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		1,536		9,000		-
Minho Kilning (Klang) Sdn Bhd ("MKK")	^(iv) Renting of equipment	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		-		500		-
Oak Three Sdn Bhd ("OT") (formerly known as QR Printing Sdn Bhd)	Insurance brokerage fee.	Syarikat Minho Kilning Sdn Bhd ("SMK")	Yearly		11		800		13
Ms. Loo Lay Hooi	^(iv) Rental	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		18		100		-
Mahawangsa Timber Industries Sdn Bhd ("MTI")	Sales of sawn timber and its related products.	LTI	Monthly	203		4,000		-	
	Purchase of logs.	LTI	Monthly		1,240		20,000		-
MTI	^(a) Purchase of timber.	Costraco Sdn Bhd ("CSB")	Monthly		14		19,000		-
MTI	^(c) Purchase of timber.	Euro-CGA Sdn Bhd ("ECSB")	Monthly		479		5,500		-
MTI	^(d) Purchase of timber.	Victory Enterprise Sdn Bhd ("VESB")	Monthly		-		5,500		-
Lucky Star Diversified Sdn Bhd ("LSDSB")	Sales of sawn timber	Lionvest Corporation (Pahang) Sdn Bhd ("LCPSB")	Monthly	-		9,500		357	
Lucky Star Diversified Sdn Bhd ("LSDSB")	⁽ⁱⁱ⁾ Rental	Lionvest Corporation (Pahang) Sdn Bhd ("LCPSB")	Monthly	6		48		-	
D M Timber Sdn Bhd ("DM")	⁽ⁱⁱⁱ⁾ Rental	Lionvest Corporation (Pahang) Sdn Bhd ("LCPSB")	Monthly	6		48		-	
			Total	215	4,699	13,596	95,400	357	2,297

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

(The figures have not been audited)

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**15. Review of Performance of the Company and its Principal Subsidiaries**

	3 MONTHS ENDED	
	YEAR-TO-DATE ENDED	
	Q1 2024	Q1 2023
	31/3/2024	31/3/2023
	RM'000	RM'000
Revenue		
Timber Extraction	-	-
Timber Trading	16,306	18,883
Manufacturing	24,619	22,266
Services & Treatment	5,840	6,498
Property Development	-	-
Others	1,738	235
	<u>48,503</u>	<u>47,882</u>
Segment Profit		
Timber Extraction	-	(42)
Timber Trading	1,286	2,357
Manufacturing	2,028	1,215
Services & Treatment	335	761
Property Development	42	47
Others	2,354	8,152
	<u>6,045</u>	<u>12,490</u>
Elimination	(980)	(8,528)
Profit before taxation	5,065	3,962
Taxation	(1,284)	(1,121)
Profit after taxation	3,781	2,841
Non-controlling interest	(204)	(525)
Net profit for the year	<u>3,577</u>	<u>2,316</u>

(a). Three months period and Year to date.

The Group disclosed total revenue of RM48.50 million for the current 3 months period ended 31 March 2024, RM621 thousand or 1% more than the RM47.88 million recorded in the corresponding 3 months period ended 31 March 2023. This increase was mainly attributed to the RM3.85 million increase in Manufacturing and Others segments. This was partially offset by the total decrease of RM3.23 million in the turnover for Timber Trading and Services & Treatment segments.

The group's pre-tax profit increased by RM1.10 million mainly due to the increase in pre-tax profit of Manufacturing and Others segments.

Timber Trading

The turnover for this segment is decreased by RM2.57 million. The pre-tax profit for this segment decreased by RM1.07 million from a pre-tax profit of RM2.35 million in the corresponding 3 months period ended 31 March 2023 to RM1.28 million for the current 3 months period ended 31 March 2024 due to lower sales.

Manufacturing

Total turnover for this segment increased by RM2.35 million. The turnover for the manufacturing of industrial paper bags increased by RM1.82 million due to higher selling price in tandem with increasing raw materials price, while the turnover for manufacturing of timber and wood based products increased by RM530 thousand due to higher sales order from buyers. Pre-tax profit for this market segment increased by RM813 thousand from pre-tax profit RM1.21 million in the corresponding 3 months period ended 31 March 2023 to pre-tax profit RM2.02 million for the current 3 months period ended 31 March 2024. The pre-tax profit of manufacturing of timber and wood based products decreased by RM447 thousand due to higher cost of operation. The manufacturing of industrial paper bags increased its pre-tax profit by RM1.26 million due to higher turnover and gain on foreign exchange.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

(The figures have not been audited)

Services & Treatment

The volume of timber for kiln drying decreased by 12% and service charges rates increased by 10% that resulted in a decrease of RM658 thousand in the gross turnover for this market segment. The pre-tax profit for this segment decreased by RM426 thousand from a pre-tax profit of RM761 thousand in the corresponding 3 months period ended 31 March 2023 to pre-tax profit of RM335 thousand for the current 3 months period ended 31 March 2024 due to the increase in operation cost.

Property Development

There were no revenue registered for the current 3 months period ended 31 March 2024 similar to the corresponding 3 months period ended 31 March 2023. It reported a pre-tax profit of RM42 thousand due to lower other income, compared to a pre-tax profit of RM47 thousand previously.

16. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

Market Segments	Revenue		Segment Profit	
	Q1 2024	Q4 2023	Q1 2024	Q4 2023
	RM'000	RM'000	RM'000	RM'000
Timber Extraction	-	-	-	(36)
Timber Trading	16,306	20,242	1,286	1,571
Manufacturing	24,619	21,234	2,028	2,502
Services & Treatment	5,840	7,051	335	(39)
Property Development	-	-	42	53
Others	1,738	320	2,354	(40,248)
	<u>48,503</u>	<u>48,847</u>	<u>6,045</u>	<u>(36,197)</u>
Elimination			(980)	40,263
Profit before taxation			5,065	4,066
Taxation			(1,284)	(3,973)
Profit after taxation			3,781	93
Non-controlling interest			(204)	(813)
Net profit for the year			3,577	(720)

The Group's turnover for the current quarter under review was RM48.50 million, which was RM344 thousand or 0.7% less than the RM48.84 million registered in the preceding quarter. All of the group's market segments recorded lower growth in their turnover except for the Manufacturing segment. It recorded a total combined decrease of RM5.14 million in turnover. This was offset by the increase of RM3.38 million recorded by the Manufacturing segment.

The Group posted a pre-tax profit of RM5.06 million for the current quarter against the preceding quarter figure of pre-tax profit of RM4.06 million. The major contributor to the increase in pre-tax profit for the current quarter were the Services & Treatment and Others segments.

17. Prospects for Current Financial Year

The International Monetary Fund ("IMF") in their latest publication of World Economic Outlook(WEO) in April 2024 stated that the baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025 will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now at 3.1 percent is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

(The figures have not been audited)

As such, given the forecasted economic conditions, the Group will continue to adopt a prudent view moving forward. The Group intends to continue strengthening efficiency and minimizing costs in its operations and activities.

18. Variance of Actual Profit from Forecast Profit

The disclosure requirements for explanatory notes on the variation of actual profit after tax and profit forecast and shortfall in profit guarantee are not applicable.

19. Taxation

Taxation comprises:-

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31/3/2024	31/3/2023	31/3/2024	31/3/2023
	RM'000	RM'000	RM'000	RM'000
Current taxation	(1,284)	(1,121)	(1,284)	(1,121)
(Over)/Under provision in respect of prior years	-	-	-	-
Foreign Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
	(1,284)	(1,121)	(1,284)	(1,121)
Our share of results of associated companies	-	-	-	-
	(1,284)	(1,121)	(1,284)	(1,121)

The effective tax rates for the periods presented above are higher than the statutory tax rate principally due to losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries, and also to certain expenses which are not deductible for tax purposes.

20. Trade Receivables

	As at 31.3.2024 RM'000	As at 31.3.2023 RM'000
Trade receivables	29,787	24,256
Less: Allowance for impairment loss	(828)	(1,195)
	28,959	23,061

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

	As at 31.3.2024 RM'000	As at 31.3.2023 RM'000
Neither past due nor impaired	16,615	14,304
Past due not impaired:		
< 30 days	7,196	5,299
31 - 60 days	3,168	2,082
> 60 days	2,808	2,571
Gross trade receivables	29,787	24,256
Less: Allowance for impairment loss	(828)	(1,195)
	28,959	23,061

Trade receivables that are past due but not impaired are creditworthy debtors. The Group has no significant concentration of credit risk that may arise from exposures to a single clearing participant or counterparty.



INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024
(The figures have not been audited)

21. Disposal of Unquoted Investments and Properties

There were no disposals of investments and/or properties for the financial period under review.

22. Quoted Securities

There were no purchases and/or disposals of quoted securities of the Group for the financial period ended 31 March 2024.

23. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 24 May 2024.

24. Group Borrowings

Total Group borrowings as at 31 March 2024 were as follows:-

	As at 1st. Quarter ended 31 March 2024		
	Long Term	Short Term	Total borrowings
	RM	RM	RM
Secured			
Property Loan	9,001		9,001
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts, Letter of Credits and Others)		15,165	15,165
Unsecured	-	-	-
	As at 1st. Quarter ended 31 March 2023		
Secured			
Property Loan	2,733		2,733
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts, Letter of Credits and Others)		13,288	13,288
Unsecured	-	-	-

25. Off Balance Sheet Financial Instruments

There are no material financial instruments with off balance sheet risk as at the date of this report.

26. Material Litigation

As at 24 May 2024, the latest practicable date that is not earlier than 7 days from the issue of this quarterly report, the Group is not engaged in any material litigation except for the following which was reported previously:

(a.) Writ no: BL-A52-12-10/2020

On 5 February 2024, the Court examined the records of the appeal and the arguments filed by the parties in the appeal, found no reason to disturb the findings of the Sessions Court Judge based on the provisions of the law and a proper assessment of the facts. Therefore, the Appellant's appeal was dismissed with costs of RM5,000.00.

Apart from the above, there is no other material litigation pending as at the date of this announcement.



INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024
(The figures have not been audited)

27. Dividend

No dividend has been recommended by the Board for the period ended 31 March 2024 (2023: Nil).

28. Profit/(Loss) From Operations

The following items have been charged/ (credited) in arriving at profit/ (loss) from operations:

	Individual Quarter		Cumulative Period	
	Current Year	Preceding Year	Current Year	Preceding
	31/3/2024	31/3/2023	31/3/2024	31/3/2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
(a). Interest income	270	140	270	140
(b). Investment income	-	-	-	-
(c). Rental Income	1,206	2,966	1,206	2,966
(d). Interest expenses	(245)	(261)	(245)	(261)
(e). Depreciation & Amortisation	(1,788)	(1,704)	(1,788)	(1,704)
(f). Gain/(loss) on disposal of property, plant & equipment	635	176	635	176
(g). Property, plant & equipment written off	-	-	-	-
(h). Inventories write-down	-	-	-	-
(i). Provision for and write-off of receivables	-	-	-	-
(j). Provision for receivables write-back.	-	-	-	-
(k). Net foreign exchange gain/(loss)	(63)	(386)	(63)	(386)

29. Earning/ (Loss) Per Share

(a) Basic earnings/ (loss) per share

	Individual Quarter		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to date	Preceding Period Ended
	31/3/2024	31/3/2023	31/3/2024	31/3/2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net earnings/(loss) attributable to the ordinary equity holders of the Company	3,577	2,316	3,577	2,316
Weighted average number of ordinary shares ('000)	356,724	356,724	356,724	356,724
Basic earnings/(loss) per share (sen)	1.00	0.65	1.00	0.65

30. Authorisation for issue

This interim financial information has been approved for issue in accordance with a resolution of the Board of Directors dated 31 May 2024.

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 31 May 2024.