



MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 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>30/6/2024</u>	<u>30/6/2023</u>	<u>30/6/2024</u>	<u>30/6/2023</u>
	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>
Continuing Operations:				
Revenue	48,842	48,859	97,345	96,741
Cost of sales	(49,625)	(47,317)	(98,431)	(94,748)
Gross profit	(783)	1,542	(1,086)	1,993
Other operating income	5,066	4,479	10,679	8,251
Finance cost	(380)	(245)	(625)	(506)
Profit before tax	3,903	5,776	8,968	9,738
Income tax expense	(924)	(1,419)	(2,208)	(2,540)
Profit for the period from continuing operations	2,979	4,357	6,760	7,198
Loss from discontinued operation	-	-	-	-
Profit for the period	2,979	4,357	6,760	7,198
Other Comprehensive Income:				
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	2,979	4,357	6,760	7,198
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	2,208	3,583	5,785	5,899
- loss from discontinued operations				
Non-Controlling Interest	771	774	975	1,299
Profit for the period	2,979	4,357	6,760	7,198
Total comprehensive income attributable to:				
Owners of the Parent	2,208	3,583	5,785	5,899
Non-Controlling Interest	771	774	975	1,299
	2,979	4,357	6,760	7,198
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	0.62	1.00	1.62	1.65

(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 SECOND QUARTER ENDED 30 JUNE 2024
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30/6/2024 RM'000	Audited As at 31/12/2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	121,030	99,489
Investment properties	194,784	195,264
Right of use assets	23,813	24,868
Land held for investment	2,500	2,500
	342,127	322,121
Current Assets		
Inventories	94,616	96,476
Property development cost	-	-
Trade receivables	25,734	26,160
Other receivables	4,635	7,941
Tax recoverable	2,016	2,139
Short-term investments	7,681	10,322
Derivative financial assets	-	160
Fixed deposit with licensed banks	17,552	19,350
Cash and bank balances	38,087	32,630
	190,321	195,178
TOTAL ASSETS	532,448	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)	186,652	180,867
	406,484	400,699
Non-controlling interest	41,475	41,249
Total Equity	447,959	441,948
Non-current liabilities		
Deferred tax liabilities	12,490	12,489
Lease liabilities	8,537	8,897
Loan and borrowings	8,750	114
	29,777	21,500
Current Liabilities		
Trade payables	19,364	11,644
Other payables	8,938	12,862
Provision for liabilities	126	127
Lease liabilities	10,087	10,960
Loan and borrowings	14,713	16,677
Derivative financial liabilities	-	-
Tax Payable	1,484	1,581
	54,712	53,851
Total Liabilities	84,489	75,351
TOTAL EQUITY AND LIABILITIES	532,448	517,299
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.14	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 SECOND QUARTER ENDED 30 JUNE 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 Equity
			Share Premium	Treasury Shares	Reserve on consolidation	Asset revaluation reserves	Equity component from the replacement warrants	Retained Earnings/(Losses)	Total	Non-Controlling Interest	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Period ended 30 June 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						-		5,785	5,785	975	6,760
Non-controlling interest								-	-	-	-
Issuance of ordinary shares pursuant to:											
- Exercise of warrants	-								-		-
Dividend distributed to Non-Controlling Interest									-	(749)	(749)
Balance as at 30.6.2024	206,368	-	-	-	13,464	-	-	186,652	406,484	41,475	447,959
Period ended 30 June 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								5,899	5,899	1,299	7,198
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 30.6.2023	206,368	-	-	-	13,464	-	-	181,308	401,140	40,337	441,477

(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 SECOND QUARTER ENDED 30 JUNE 2024**

(The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Cumulative Period	
	Current Year to date 30/6/2024 RM'000	Preceding Period Ended 30/6/2023 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	8,968	9,738
Adjustments for :		
Depreciation, amortisation and impairment losses	3,606	3,387
Interest income	(453)	(348)
Interest expenses	625	506
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)	(508)
Asset written off	-	-
Operating profit before changes in working capital	12,111	12,775
Net change in current assets	9,021	427
Net change in current liabilities	3,795	(2,545)
Cash flow from operation	24,927	10,657
Taxes paid	(2,414)	(2,611)
Taxes refunded	298	740
Net Cash Flows From Operating Activities	22,811	8,786
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(5,080)	(7,141)
Purchase of freehold land	(16,571)	(6,468)
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	1,322
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	(21,016)	(16,287)
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)	1,239	6,860
Repayment of hire purchase obligations	(1,204)	(1,702)
Dividends paid to non-controlling interest in subsidiary company	(749)	(1,585)
Net Cash Flows From Financing Activities	(714)	3,573
Net Increase in Cash and Cash Equivalents	1,081	(3,928)
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	63,320	63,377
Cash and cash equivalent comprise the following:-		
Bank and cash balances	38,087	29,217
Short-term investments and Deposit with license bank	25,233	34,160
	63,320	63,377

(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 SECOND QUARTER ENDED 30 JUNE 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 SECOND QUARTER ENDED 30 JUNE 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 30 June 2024.

7. Dividends Paid

There were no dividends declared and paid by the Company for the financial period ended 30 June 2024.

8. Segment Information

The Group's segment information for the financial period ended 30 June 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								
External Sales	-	31,180	53,001	11,145	-	2,019		97,345
Inter segmental sales	-	893	3,008	2,889	-	711	(7,501)	-
Total Revenue	-	32,073	56,009	14,034	-	2,730		97,345
Segments Profits/(Loss) Before Tax	-	1,514	5,136	1,173	89	1,944	(888)	8,968
Depreciation and amortisation	-	409	1,925	875	13	384		3,606
Rental income of land and buildings	-	1,653	2,525	5,408	180	-	(976)	8,790
Net foreign exchange Gain/(loss) on disposal of property, plant and equipment	-	(53)	(10)	-	-	-		(63)
Finance cost	-	84	312	229	-	-	-	625
Interest Income	-	121	236	41	13	49	(7)	453
Tax Expenses	-	633	895	290	22	368		2,208
Segments Assets	395	86,516	205,364	184,701	12,291	46,065	(2,884)	532,448
Other Investment								-
Total Segments Assets								532,448
Segment Liabilities	-	5,806	44,192	31,749	124	2,083	535	84,489

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 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								
External Sales	1,927	37,839	43,499	12,852	-	624		96,741
Inter segmental sales	-	1,226	1,547	2,738	-	8,425	(13,936)	-
Total Revenue	1,927	39,065	45,046	15,590	-	9,049		96,741
Segments Profits/(Loss) Before Tax	1,279	4,265	2,770	1,892	100	8,170	(8,738)	9,738
Depreciation and amortisation	271	688	1,437	870	13	108		3,387
Rental income of land and buildings	-	3,873	533	2,920	180	-	(917)	6,589
Net foreign exchange	-	(93)	(293)	-	-	-		(386)
Gain/(loss) on disposal of property, plant and equipment	-	53	450	5	-	-		508
Finance cost	-	149	354	10	-	-	(7)	506
Interest Income	-	116	139	27	14	52	-	348
Tax Expenses	-	1,346	715	455	24	-		2,540
Segments Assets	17,201	150,804	123,387	174,124	12,127	30,109	(3,976)	503,776
Other Investment								-
Total Segments Assets								503,776
Segment Liabilities	1,774	14,452	23,930	21,954	98	656	(565)	62,299

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 30 June 2024.

12. Contingent Liabilities – Unsecured

As at 30 June 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 RM14,523,073 were utilized.

13. Capital Commitments

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



INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 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 30/06/2024 (RM ' 000)		Approved Value 27/06/2023 to next AGM (RM ' 000)		Balance due to / from the companies 30/6/2024 (RM ' 000)	
				Receivables	Payables	Receivables	Payables	Receivables	Payables
D M Timber Sdn Bhd ("DM")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		895		15,000		1,376
Lucky Star Diversified Sdn Bhd ("LSDSB")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		3,007		20,000		2,557
Minho Kilning (Klang) Sdn Bhd ("MKK")	⁽ⁱ⁾ Rental & Storage Charges	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		3,072		9,000		-
Minho Kilning (Klang) Sdn Bhd ("MKK")	^(v) 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		13		800		11
Ms. Loo Lay Hooi	^(iv) Rental	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		36		100		-
Mahawangsa Timber Industries Sdn Bhd ("MTI")	Sales of sawn timber and its related products.	LTI	Monthly	579		4,000		3	
	Purchase of logs.	LTI	Monthly		1,818		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	12		48		-	
D M Timber Sdn Bhd ("DM")	⁽ⁱⁱⁱ⁾ Rental	Lionvest Corporation (Pahang) Sdn Bhd ("LCPSB")	Monthly	12		48		-	
			Total	603	9,335	13,596	95,400	360	3,945

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 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		6 MONTHS ENDED	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
	RM'000	RM'000	RM'000	RM'000
Revenue				
Timber Extraction	-	1,927	-	1,927
Timber Trading	14,874	18,956	31,180	37,839
Manufacturing	28,382	21,233	53,001	43,499
Services & Treatment	5,305	6,354	11,145	12,852
Property Development	-	-	-	-
Others	281	389	2,019	624
	<u>48,842</u>	<u>48,859</u>	<u>97,345</u>	<u>96,741</u>
Segment Profit				
Timber Extraction	-	1,321	-	1,279
Timber Trading	228	1,908	1,514	4,265
Manufacturing	3,108	1,555	5,136	2,770
Services & Treatment	838	1,131	1,173	1,892
Property Development	47	53	89	100
Others	(410)	18	1,944	8,170
	<u>3,811</u>	<u>5,986</u>	<u>9,856</u>	<u>18,476</u>
Elimination	92	(210)	(888)	(8,738)
Profit before taxation	<u>3,903</u>	<u>5,776</u>	<u>8,968</u>	<u>9,738</u>
Taxation	(924)	(1,419)	(2,208)	(2,540)
Profit after taxation	<u>2,979</u>	<u>4,357</u>	<u>6,760</u>	<u>7,198</u>
Non-controlling interest	(771)	(774)	(975)	(1,299)
Net profit for the year	<u>2,208</u>	<u>3,583</u>	<u>5,785</u>	<u>5,899</u>

(a). Three months period-Q2 2024.

For the current quarter, the Group registered revenue of RM48.84 million, RM17 thousand lower as compared to Q2 2023. This decrease was mainly attributed to the RM5.13 million total combined decreases in turnover for the Timber Trading and Services & Treatment market segments. This was offset by the increase of RM7.14 million in the turnover for the Manufacturing market segment.

The group's pre-tax profit decreased by RM1.87 million, i.e. from RM5.77 million to RM3.90 million. Most of the Group's market segments recorded lower pre-tax profit. The Timber Trading, Services & Treatment and Others segments combined decrease of RM2.4 million in the pre-tax profit was raised by Manufacturing segment which recorded increase of RM1.55 million in pre-tax profit.

(b). Six months period and Year to date.

The Group disclosed total revenue of RM97.34 million for the current 6 months period ended 30 June 2024, RM604 thousand or 1% more than the RM96.74 million recorded in the corresponding 6 months period ended 30 June 2023. This increase was mainly attributed to the RM9.5 million increase in Manufacturing segment. This was partially offset by the total decrease of RM8.36 million in the turnover for Timber Trading and Services & Treatment segments.

The group's pre-tax profit decreased by RM770 thousand mainly due to the decrease in pre-tax profit of Timber Trading and Services & Treatment segments.

Timber Trading

The turnover for this segment is decreased by RM6.65 million. The pre-tax profit for this segment decreased by RM2.75 million from a pre-tax profit of RM4.26 million in the corresponding 6 months period ended 30 June 2023 to RM1.51 million for the current 6 months period ended 30 June 2024 due to lower sales.

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

(The figures have not been audited)

Manufacturing

Total turnover for this segment increased by RM9.5 million. The turnover for the manufacturing of industrial paper bags increased by RM3.63 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 RM5.87 million due to higher sales order from buyers. Pre-tax profit for this market segment increased by RM2.36 million from pre-tax profit RM2.77 million in the corresponding 6 months period ended 30 June 2023 to pre-tax profit RM5.13 million for the current 6 months period ended 30 June 2024. The pre-tax profit of manufacturing of timber and wood based products increased by RM1.1 million due to higher turnover. The manufacturing of industrial paper bags increased its pre-tax profit by RM1.26 million due to higher turnover and gain on foreign exchange.

Services & Treatment

The volume of timber for kiln drying decreased by 17% and service charges rates increased by 9% that resulted in a decrease of RM1.7 million in the gross turnover for this market segment. The pre-tax profit for this segment decreased by RM719 thousand from a pre-tax profit of RM1.89 million in the corresponding 6 months period ended 30 June 2023 to pre-tax profit of RM1.17 million for the current 6 months period ended 30 June 2024 due to the lower turnover and increase in operation cost.

Property Development

There were no revenue registered for the current 6 months period ended 30 June 2024 similar to the corresponding 6 months period ended 30 June 2023. It reported a pre-tax profit of RM89 thousand due to lower other income, compared to a pre-tax profit of RM100 thousand previously.

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

Market Segments	Revenue		Segment Profit	
	<u>Q2 2024</u>	<u>Q1 2024</u>	<u>Q2 2024</u>	<u>Q1 2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Timber Extraction	-	-	-	-
Timber Trading	14,874	16,306	228	1,286
Manufacturing	28,382	24,619	3,108	2,028
Services & Treatment	5,305	5,840	838	335
Property Development	-	-	47	42
Others	281	1,738	(410)	2,354
	<u>48,842</u>	<u>48,503</u>	<u>3,811</u>	<u>6,045</u>
Elimination			92	(980)
Profit before taxation			3,903	5,065
Taxation			(924)	(1,284)
Profit after taxation			2,979	3,781
Non-controlling interest			(771)	(204)
Net profit for the year			2,208	3,577

The Group's turnover for the current quarter under review was RM48.84 million, which was RM339 thousand or 0.7% more than the RM48.50 million registered in the preceding quarter. Most of the group's market segments recorded lower growth in their turnover except for the Manufacturing segment. It recorded a total increase of RM3.76 million in turnover. This was offset by the decrease of RM3.42 million recorded by the Timber Trading, Services & Treatment and Others segments.

The Group posted a pre-tax profit of RM3.9 million for the current quarter against the preceding quarter figure of pre-tax profit of RM5.06 million. The major contributor to the decrease in pre-tax profit for the current quarter were the Timber Trading and Others segments.

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

(The figures have not been audited)

17. Prospects for Current Financial Year

The International Monetary Fund (“IMF”) in their latest publication of World Economic Outlook(WEO) in July 2024 stated that the global growth is projected to be in line with the April 2024 World Economic Outlook (WEO) forecast, at 3.2 percent in 2024 and 3.3 percent in 2025.

For the year until 13 August 2024, the ringgit has appreciated by 3.1% against the US dollar. On a nominal effective exchange rate (NEER) basis, the ringgit also appreciated by 5.3%. This was in part due to growing expectations among financial market participants on US policy rate cuts, which has alleviated pressure on regional currencies, including the ringgit.

Given the mix economic outlook and 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
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
	RM'000	RM'000	RM'000	RM'000
Current taxation	(924)	(1,419)	(2,208)	(2,540)
(Over)/Under provision in respect of prior years	-	-	-	-
Foreign Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
	(924)	(1,419)	(2,208)	(2,540)
Our share of results of associated companies	-	-	-	-
	(924)	(1,419)	(2,208)	(2,540)

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.



INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024
(The figures have not been audited)

20. Trade Receivables

	As at 30.6.2024 RM'000	As at 30.6.2023 RM'000
Trade receivables	26,562	22,865
Less: Allowance for impairment loss	(828)	(1,195)
	25,734	21,670

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

	As at 30.6.2024 RM'000	As at 30.6.2023 RM'000
Neither past due nor impaired	13,352	11,823
Past due not impaired:		
< 30 days	6,282	6,383
31 - 60 days	3,568	3,449
> 60 days	3,360	1,210
Gross trade receivables	26,562	22,865
Less: Allowance for impairment loss	(828)	(1,195)
	25,734	21,670

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.

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 30 June 2024.

23. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 22 August 2024.

24. Group Borrowings

Total Group borrowings as at 30 June 2024 were as follows:-

	As at 2nd. Quarter ended 30 June 2024		
	Long Term	Short Term	Total borrowings
	RM	RM	RM
Secured			
Property Loan	8,750		8,750
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts, Letter of Credits and Others)		14,713	14,713
Unsecured	-	-	-
	As at 2nd. Quarter ended 30 June 2023		
Secured			
Property Loan	1,204		1,204
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts, Letter of Credits and Others)		14,502	14,502
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.

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

(The figures have not been audited)

26. Material Litigation

As at 22 August 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.

27. Dividend

No dividend has been recommended by the Board for the period ended 30 June 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
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
(a). Interest income	183	208	453	348
(b). Investment income	-	-	-	-
(c). Rental Income	7,584	3,623	8,790	6,589
(d). Interest expenses	(380)	(245)	(625)	(506)
(e). Depreciation & Amortisation	(1,818)	(1,683)	(3,606)	(3,387)
(f). Gain/(loss) on disposal of property, plant & equipment	-	332	635	508
(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)

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
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net earnings/(loss) attributable to the ordinary equity holders of the Company	2,208	3,583	5,785	5,899
Weighted average number of ordinary shares ('000)	356,724	356,724	356,724	356,724
Basic earnings/(loss) per share (sen)	0.62	1.00	1.62	1.65

30. Authorisation for issue

This interim financial information has been approved for issue in accordance with a resolution of the Board of Directors dated 29 August 2024.

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 29 August 2024.