



MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

CONTENTS	PAGE
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	1
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	3
CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS	4
NOTES TO THE INTERIM FINANCIAL STATEMENTS	5 - 8
ADDITIONAL INFORMATION REQUIRED UNDER APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES LISTING REQUIREMENTS.	9 - 13

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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>30/9/2024</u>	<u>30/9/2023</u>	<u>30/9/2024</u>	<u>30/9/2023</u>
	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>
<i>Continuing Operations:</i>				
Revenue	46,724	47,842	144,069	144,583
Cost of sales	(48,262)	(50,236)	(146,693)	(144,984)
Gross profit	(1,538)	(2,394)	(2,624)	(401)
Other operating income	5,168	3,983	15,847	12,234
Finance cost	(314)	(262)	(939)	(768)
Profit before tax	3,316	1,327	12,284	11,065
Income tax expense	(2,149)	(545)	(4,357)	(3,085)
<i>Profit for the period from continuing operations</i>	<i>1,167</i>	<i>782</i>	<i>7,927</i>	<i>7,980</i>
<i>Loss from discontinued operation</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Profit for the period</i>	<i>1,167</i>	<i>782</i>	<i>7,927</i>	<i>7,980</i>
<i>Other Comprehensive Income:</i>				
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	1,167	782	7,927	7,980
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	1,383	530	7,168	6,429
- loss from discontinued operations				
Non-Controlling Interest	(216)	252	759	1,551
Profit for the period	1,167	782	7,927	7,980
Total comprehensive income attributable to:				
Owners of the Parent				
	1,383	530	7,168	6,429
Non-Controlling Interest	(216)	252	759	1,551
	1,167	782	7,927	7,980
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)				
	0.39	0.15	2.01	1.80

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2024**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30/9/2024 RM'000	Audited As at 31/12/2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	121,006	99,489
Investment properties	195,272	195,264
Right of use assets	23,397	24,868
Land held for investment	2,503	2,500
	342,178	322,121
Current Assets		
Inventories	93,333	96,476
Property development cost	-	-
Trade receivables	28,568	26,160
Other receivables	4,927	7,941
Tax recoverable	2,390	2,139
Short-term investments	7,839	10,322
Derivative financial assets	-	160
Fixed deposit with licensed banks	22,126	19,350
Cash and bank balances	29,347	32,630
	188,530	195,178
TOTAL ASSETS	530,708	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)	188,035	180,867
	407,867	400,699
Non-controlling interest	41,259	41,249
Total Equity	449,126	441,948
Non-current liabilities		
Deferred tax liabilities	12,490	12,489
Lease liabilities	8,480	8,897
Loan and borrowings	8,477	114
	29,447	21,500
Current Liabilities		
Trade payables	17,350	11,644
Other payables	10,175	12,862
Provision for liabilities	126	127
Lease liabilities	9,377	10,960
Loan and borrowings	13,093	16,677
Derivative financial liabilities	-	-
Tax Payable	2,014	1,581
	52,135	53,851
Total Liabilities	81,582	75,351
TOTAL EQUITY AND LIABILITIES	530,708	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 THIRD QUARTER ENDED 30 SEPTEMBER 2024

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the company →										
	← Non-distributable →						Distributable				
	Share Capital	Share Capital- Excess from resale of treasury shares	Share Premium	Treasury Shares	Reserve on consolidation	Asset revaluation reserves	Equity component from the replacement warrants	Retained Earnings/(Losses)	Total	Non-Controlling Interest	Total Equity
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 September 2024											
<i>Balance as at 01.01.2024</i>	206,368	-	-	-	13,464	-	-	180,867	400,699	41,249	441,948
Total comprehensive income for the period						-		7,168	7,168	759	7,927
Non-controlling interest								-	-	-	-
Issuance of ordinary shares pursuant to: - Exercise of warrants	-								-		-
Dividend distributed to Non-Controlling Interest									-	(749)	(749)
<i>Balance as at 30.9.2024</i>	206,368	-	-	-	13,464	-	-	188,035	407,867	41,259	449,126
Period ended 30 September 2023											
<i>Balance as at 01.01.2023</i>	206,368	-	-	-	13,464	-	-	175,409	395,241	40,623	435,864
Total comprehensive income for the period								6,429	6,429	1,299	7,728
Non-controlling interest								-	-	-	-
Issuance of ordinary shares pursuant to: - Exercise of warrants									-	-	-
Dividend distributed to Non-Controlling Interest									-	(1,585)	(1,585)
<i>Balance as at 30.9.2023</i>	206,368	-	-	-	13,464	-	-	181,838	401,670	40,337	442,007

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2024**

(The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Cumulative Period	
	Current Year to date 30/9/2024 RM'000	Preceding Period Ended 30/9/2023 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	12,284	11,065
Adjustments for :		
Depreciation, amortisation and impairment losses	5,464	5,073
Interest income	(624)	(567)
Interest expenses	939	768
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)	(556)
Asset written off	-	-
Operating profit before changes in working capital	17,428	15,783
Net change in current assets	6,512	(6,481)
Net change in current liabilities	3,018	3,398
Cash flow from operation	26,958	12,700
Taxes paid	(4,081)	(4,483)
Taxes refunded	298	996
Net Cash Flows From Operating Activities	23,175	9,213
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(3,535)	(8,287)
Purchase of freehold land	(20,086)	(6,468)
Purchased freehold land for property development	-	-
Purchase of financial assets	-	-
Acquisition of additional investment in a subsidiary	-	-
Proceeds from sale of non-current assets	635	1,370
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	(22,986)	(13,385)
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)	(345)	3,192
Repayment of hire purchase obligations	(2,022)	(2,188)
Dividends paid to non-controlling interest in subsidiary company	(749)	(1,585)
Net Cash Flows From Financing Activities	(3,116)	(581)
Net Increase in Cash and Cash Equivalents	(2,927)	(4,753)
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	59,312	62,552
Cash and cash equivalent comprise the following:-		
Bank and cash balances	29,347	28,715
Short-term investments and Deposit with license bank	29,965	33,837
	59,312	62,552

(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 THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2024.

7. Dividends Paid

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

8. Segment Information

The Group's segment information for the financial period ended 30 September 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	-	41,193	82,932	16,940	-	3,004		144,069
Inter segmental sales	-	1,722	4,642	3,962	-	786	(11,112)	-
Total Revenue	-	42,915	87,574	20,902	-	3,790		144,069
Segments Profits/(Loss) Before Tax	-	790	7,144	2,910	148	2,180	(888)	12,284
Depreciation and amortisation	-	471	3,090	1,312	19	572		5,464
Rental income of land and buildings	-	1,659	4,889	8,242	270	-	(1,399)	13,661
Net foreign exchange	-	(53)	(10)	-	-	-		(63)
Gain/(loss) on disposal of property, plant and equipment	-	-	-	-	-	635		635
Finance cost	-	89	475	375	-	-	-	939
Interest Income	-	168	318	61	13	71	(7)	624
Tax Expenses	-	740	1,315	1,800	36	466		4,357
Segments Assets	395	67,190	220,520	186,269	12,302	46,868	(2,836)	530,708
Other Investment								-
Total Segments Assets								530,708
Segment Liabilities	-	3,710	41,551	32,950	90	2,746	535	81,582

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	53,582	69,125	19,057	-	892		144,583
Inter segmental sales	-	1,387	2,827	4,301	-	8,500	(17,015)	-
Total Revenue	1,927	54,969	71,952	23,358	-	9,392		144,583
Segments Profits/(Loss) Before Tax	1,225	4,444	3,968	2,411	157	7,714	(8,854)	11,065
Depreciation and amortisation	370	693	2,482	1,304	19	205		5,073
Rental income of land and buildings	-	2,978	2,759	4,738	270	-	(1,298)	9,447
Net foreign exchange	-	(93)	(293)	-	-	-		(386)
Gain/(loss) on disposal of property, plant and equipment	-	53	483	20	-	-		556
Finance cost	-	184	584	7	-	-	(7)	768
Interest Income	-	100	303	65	19	80	-	567
Tax Expenses	-	1,346	1,075	580	38	46		3,085
Segments Assets	15,211	109,774	171,092	174,888	12,172	31,401	(4,177)	510,361
Other Investment								-
Total Segments Assets								510,361
Segment Liabilities	1,455	13,805	30,222	22,324	99	762	(565)	68,102

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 September 2024.

12. Contingent Liabilities – Unsecured

As at 30 September 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 RM14,324,548 were utilized.

13. Capital Commitments

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


INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30/09/2024 (RM ' 000)		Approved Value 28/06/2024 to next AGM (RM ' 000)		Balance due to / from the companies 30/9/2024 (RM ' 000)	
				Receivables	Payables	Receivable	Payables	Receivable	Payables
D M Timber Sdn Bhd ("DM")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		895		15,000		1,075
Lucky Star Diversified Sdn Bhd ("LSDSB")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		4,011		20,000		2,798
Minho Kilning (Klang) Sdn Bhd ("MKK")	⁽ⁱ⁾ Rental & Storage Charges	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		4,608		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		43		800		15
Ms. Loo Lay Hooi	^(iv) Rental	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		54		100		-
Mahawangsa Timber Industries Sdn Bhd ("MTI")	Sales of sawn timber and its related products.	LTI	Monthly	1,051		4,000		-	
	Purchase of logs.	LTI	Monthly		3,287		20,000		44
MTI	^(a) Purchase of timber.	Costraco Sdn Bhd ("CSB")	Monthly		102		19,000		-
MTI	^(c) Purchase of timber.	Euro-CGA Sdn Bhd ("ECSB")	Monthly		510		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		1,140	
Lucky Star Diversified Sdn Bhd ("LSDSB")	⁽ⁱⁱ⁾ Rental	Lionvest Corporation (Pahang) Sdn Bhd ("LCPSB")	Monthly	18		48		-	
D M Timber Sdn Bhd ("DM")	⁽ⁱⁱⁱ⁾ Rental	Lionvest Corporation (Pahang) Sdn Bhd ("LCPSB")	Monthly	18		48		-	
Total				1,087	13,510	13,596	95,400	1,140	3,932

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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		9 MONTHS ENDED	
	Q3 2024	Q3 2023	Q3 2024	Q3 2023
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
	RM'000	RM'000	RM'000	RM'000
Revenue				
Timber Extraction	-	-	-	1,927
Timber Trading	10,013	15,743	41,193	53,582
Manufacturing	29,931	25,626	82,932	69,125
Services & Treatment	5,795	6,205	16,940	19,057
Property Development	-	-	-	-
Others	985	268	3,004	892
	<u>46,724</u>	<u>47,842</u>	<u>144,069</u>	<u>144,583</u>
Segment Profit				
Timber Extraction	-	(54)	-	1,225
Timber Trading	(724)	179	790	4,444
Manufacturing	2,008	1,198	7,144	3,968
Services & Treatment	1,737	519	2,910	2,411
Property Development	59	57	148	157
Others	236	(456)	2,180	7,714
	<u>3,316</u>	<u>1,443</u>	<u>13,172</u>	<u>19,919</u>
Elimination	-	(116)	(888)	(8,854)
Profit before taxation	3,316	1,327	12,284	11,065
Taxation	(2,149)	(545)	(4,357)	(3,085)
Profit after taxation	1,167	782	7,927	7,980
Non-controlling interest	216	(252)	(759)	(1,551)
Net profit for the year	<u>1,383</u>	<u>530</u>	<u>7,168</u>	<u>6,429</u>

(a). Three months period-Q3 2024.

For the current quarter, the Group registered revenue of RM46.72 million, RM1.11 million lower as compared to Q3 2023. This decrease was mainly attributed to the RM6.14 million total combined decreases in turnover for the Timber Trading and Services & Treatment market segments. This was partially offset by the increase of RM5.02 million in the turnover for the Manufacturing and Others market segments.

The group's pre-tax profit increased by RM1.98 million, i.e. from RM1.32 million to RM3.31 million. Most of the Group's market segments recorded higher pre-tax profit. The Manufacturing, Services & Treatment, Property Development and Others segments combined increase of RM2.7 million in the pre-tax profit was reduced by Timber Trading segment which recorded decrease of RM903 thousand in pre-tax profit.

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

The Group disclosed total revenue of RM144.06 million for the current 9 months period ended 30 September 2024, RM514 thousand or 0.36% less than the RM144.58 million recorded in the corresponding 9 months period ended 30 September 2023. This increase was mainly attributed to the RM13.8 million increase in Manufacturing segment. This was offset by the total decrease of RM14.5 million in the turnover for Timber Trading and Services & Treatment segments.

The group's pre-tax profit increased by RM1.21 million mainly due to the increase in pre-tax profit of Manufacturing and Services & Treatment segments.

Timber Trading

The turnover for this segment is decreased by RM12.38 million. The pre-tax profit for this segment decreased by RM3.65 million from a pre-tax profit of RM4.44 million in the corresponding 9 months

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

(The figures have not been audited)

period ended 30 September 2023 to RM790 thousand for the current 9 months period ended 30 September 2024 due to lower sales.

Manufacturing

Total turnover for this segment increased by RM13.8 million. The turnover for the manufacturing of industrial paper bags increased by RM4.81 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 RM8.99 million due to higher sales order from buyers. Pre-tax profit for this market segment increased by RM3.17 million from pre-tax profit RM3.96 million in the corresponding 9 months period ended 30 September 2023 to pre-tax profit RM7.14 million for the current 9 months period ended 30 September 2024. The pre-tax profit of manufacturing of timber and wood based products increased by RM780 thousand due to higher turnover. The manufacturing of industrial paper bags increased its pre-tax profit by RM2.39 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 RM2.11 million in the gross turnover for this market segment. The pre-tax profit for this segment increased by RM499 thousand from a pre-tax profit of RM2.41 million in the corresponding 9 months period ended 30 September 2023 to pre-tax profit of RM2.91 million for the current 9 months period ended 30 September 2024 due to increase in other income.

Property Development

There were no revenue registered for the current 9 months period ended 30 September 2024 similar to the corresponding 9 months period ended 30 September 2023. It reported a pre-tax profit of RM148 thousand due to lower other income, compared to a pre-tax profit of RM157 thousand previously.

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

Market Segments	Revenue		Segment Profit	
	Q3 2024	Q2 2024	Q3 2024	Q2 2024
	RM'000	RM'000	RM'000	RM'000
Timber Extraction	-	-	-	-
Timber Trading	10,013	14,874	(724)	228
Manufacturing	29,931	28,382	2,008	3,108
Services & Treatment	5,795	5,305	1,737	838
Property Development	-	-	59	47
Others	985	281	236	(410)
	<u>46,724</u>	<u>48,842</u>	<u>3,316</u>	<u>3,811</u>
Elimination			-	92
Profit before taxation			<u>3,316</u>	<u>3,903</u>
Taxation			<u>(2,149)</u>	<u>(924)</u>
Profit after taxation			<u>1,167</u>	<u>2,979</u>
Non-controlling interest			<u>216</u>	<u>(771)</u>
Net profit for the year			<u>1,383</u>	<u>2,208</u>

The Group's turnover for the current quarter under review was RM46.72 million, which was RM2.11 million or 4.3% less than the RM48.84 million registered in the preceding quarter. Most of the group's market segments recorded higher growth in their turnover except for the Timber Trading segment. It recorded a total decrease of RM4.86 million in turnover. This was partially offset by the increase of RM2.74 million recorded by the Manufacturing, Services & Treatment and Others segments.

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

(The figures have not been audited)

The Group posted a pre-tax profit of RM3.31 million for the current quarter against the preceding quarter figure of pre-tax profit of RM3.9 million. The major contributor to the decrease in pre-tax profit for the current quarter were the Timber Trading and Manufacturing segments.

17. Prospects for Current Financial Year

The International Monetary Fund (“IMF”) in their latest publication of World Economic Outlook(WEO) in October 2024 stated that with cyclical imbalances in the global economy waning, near-term policy priorities should be carefully calibrated to ensure a smooth landing. At the same time, structural reforms are necessary to lift medium-term growth prospects, while support for the most vulnerable should be maintained.

Given the above 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
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
	RM'000	RM'000	RM'000	RM'000
Current taxation	(2,149)	(545)	(4,357)	(3,085)
(Over)/Under provision in respect of prior years	-	-	-	-
Foreign Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
	<u>(2,149)</u>	<u>(545)</u>	<u>(4,357)</u>	<u>(3,085)</u>
Our share of results of associated companies	-	-	-	-
	<u>(2,149)</u>	<u>(545)</u>	<u>(4,357)</u>	<u>(3,085)</u>

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 THIRD QUARTER ENDED 30 SEPTEMBER 2024**

(The figures have not been audited)

20. Trade Receivables

	As at 30.9.2024 RM'000	As at 30.9.2023 RM'000
Trade receivables	29,396	27,811
Less: Allowance for impairment loss	(828)	(1,195)
	28,568	26,616

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

	As at 30.9.2024 RM'000	As at 30.9.2023 RM'000
Neither past due nor impaired	12,952	16,656
Past due not impaired:		
< 30 days	8,443	6,510
31 - 60 days	3,052	2,864
> 60 days	4,949	1,781
Gross trade receivables	29,396	27,811
Less: Allowance for impairment loss	(828)	(1,195)
	28,568	26,616

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 September 2024.

23. Status of Corporate Proposals

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

24. Group Borrowings

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

	As at 3rd. Quarter ended 30 September 2024		
	Long Term	Short Term	Total borrowings
	RM	RM	RM
Secured			
Property Loan	8,477		8,477
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts, Letter of Credits and Others)		13,093	13,093
Unsecured	-	-	-
	As at 3rd. Quarter ended 30 September 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	-	-	-

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

(The figures have not been audited)

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 22 November 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 September 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
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
(a). Interest income	171	208	624	348
(b). Investment income	-	-	-	-
(c). Rental Income	4,871	3,623	13,661	6,589
(d). Interest expenses	(314)	(245)	(939)	(506)
(e). Depreciation & Amortisation	(1,858)	(1,683)	(5,464)	(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
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net earnings/(loss) attributable to the ordinary equity holders of the Company	1,383	530	7,168	6,429
Weighted average number of ordinary shares ('000)	356,724	356,724	356,724	356,724
Basic earnings/(loss) per share (sen)	0.39	0.15	2.01	1.80

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 November 2024.

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 29 November 2024.