



CHUAN HUAT RESOURCES BERHAD

(Registration No. 199401005050 (290729-W))

(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Financial Statements
For the Fourth Quarter and Year Ended
30 June 2024**

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Financial Position
As at 30 June 2024**

	Unaudited As at 30/06/24 (RM'000)	Audited As at 30/06/23 (RM'000)
ASSETS		
Non-Current assets		
Property, plant & equipment	124,108	126,013
Investment properties	69,315	69,156
Intangible assets	1,200	1,200
Right-of-use assets	120,186	122,319
Other investments	40	40
	<u>314,849</u>	<u>318,728</u>
Current assets		
Inventories	116,475	115,932
Trade receivables	168,219	172,061
Non-current asset held for sale	-	200
Other receivables, deposits and prepayments	11,151	16,262
Cash & cash equivalents	27,876	31,045
	<u>323,721</u>	<u>335,500</u>
TOTAL ASSETS	<u>638,570</u>	<u>654,228</u>
EQUITY AND LIABILITIES		
Share Capital	84,335	84,335
Reserves	227,484	231,841
	<u>311,819</u>	<u>316,176</u>
Non-controlling interest	13,034	13,740
Total equity	<u>324,853</u>	<u>329,916</u>
Non-current liabilities		
Borrowings	25,177	28,005
Lease liabilities	2,683	2,972
Deferred tax liabilities	28,356	29,421
	<u>56,216</u>	<u>60,398</u>
Current liabilities		
Trade & other payables	36,607	34,847
Borrowings	219,180	227,746
Contract liabilities	102	-
Lease liabilities	1,572	1,270
Taxation	40	51
	<u>257,501</u>	<u>263,914</u>
Total liabilities	<u>313,717</u>	<u>324,312</u>
TOTAL EQUITY AND LIABILITIES	<u>638,570</u>	<u>654,228</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.85</u>	<u>1.87</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

Condensed Consolidated Statement of Comprehensive Income
For the fourth quarter and year ended 30 June 2024

	Quarter Ended		Year-To-Date Ended	
	3 months ended	3 months ended	12 months ended	12 months ended
	30/06/24	30/06/23	30/06/24	30/06/23
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	186,267	169,185	775,303	659,478
Operating expenses	(184,138)	(167,962)	(761,594)	(650,463)
Other income	978	2,338	2,915	4,656
Operating profit	3,107	3,561	16,624	13,671
Depreciation of property, plant and equipment	(1,109)	(1,124)	(4,360)	(4,541)
Depreciation of Right-of-use assets	(801)	(672)	(3,917)	(3,451)
Interest expenses	(3,135)	(2,872)	(12,784)	(9,158)
Interest income	131	178	684	1,556
Provision for and write off of receivables	(365)	(213)	(488)	494
Provision for and write off of inventories	-	-	-	-
Gain on disposal of quoted or unquoted investments or properties	-	-	-	-
Realised foreign exchange	-	-	-	-
Foreign exchange (loss)/gain	-	(36)	(25)	38
(Loss) / Profit before tax	(2,172)	(1,178)	(4,266)	(1,391)
Taxation	1,107	158	(102)	(1,594)
(Loss) / Profit for the year	(1,065)	(1,020)	(4,368)	(2,985)
Other Comprehensive income net of tax	(25)	794	108	794
Total Comprehensive (Loss) / Income for the period	(1,090)	(226)	(4,260)	(2,191)
(Loss) / Profit attributable to:-				
Owner of the parent	(866)	(349)	(4,465)	(2,406)
Non-controlling interest	(199)	(671)	97	(579)
	(1,065)	(1,020)	(4,368)	(2,985)
Comprehensive (Loss) / Income attributable to:-				
Owner of the parent	(891)	445	(4,357)	(1,612)
Non-controlling interest	(199)	(671)	97	(579)
Comprehensive Income/(Loss) for the period	(1,090)	(226)	(4,260)	(2,191)
Loss per share attributable to owners of the company (sen):-				
Basic loss per share	(0.51)	(0.21)	(2.65)	(1.43)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity
For the financial year ended 30 June 2024**

	Share Capital (RM'000)	Capital Reserve (RM'000)	Non-Distributable Exchange Translation Reserve (RM'000)	Revaluation Reserve (RM'000)	Distributable Retained Earnings (RM'000)	Total (RM'000)	Non- Controlling interest (RM'000)	Total Equity (RM'000)
(Unaudited)								
GROUP								
At 1 July 2023	84,335	21,073	4,504	110,029	96,235	316,176	13,740	329,916
(Loss) / Profit for the year	-	-	-	-	(4,465)	(4,465)	97	(4,368)
Other comprehensive income	-	-	108	-	-	108	-	108
Dividend paid	-	-	-	-	-	-	(803)	(803)
Total comprehensive (loss) / income for the period	-	-	108	-	(4,465)	(4,357)	(706)	(5,063)
Transaction with owner								
- Realisation of retained profits due to strike off a subsidiary	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-
At 30 June 2024	84,335	21,073	4,612	110,029	91,770	311,819	13,034	324,853

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity
For the financial period ended 30 June 2023**

Audited

GROUP

At 1 July 2022	84,335	21,923	3,710	110,029	97,762	317,759	14,362	332,121
Loss for the year	-	-	-	-	(2,406)	(2,406)	(579)	(2,985)
Other comprehensive income	-	-	794	-	-	794	-	794
Total comprehensive income for the period	-	-	794	-	(2,406)	(1,612)	(579)	(2,191)
Transactions with owners: - Acquisition of non-controlling interests in a subsidiary	-	-	-	-	29	29	(43)	(14)
Effect of derecognition of a strike-off subsidiary	-	(850)	-	-	850	-	-	-
At 30 June 2023	84,335	21,073	4,504	110,029	96,235	316,176	13,740	329,916

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes to these interim financial statements.

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flows
For the financial year ended 30 June 2024**

	12 months 30/06/24 (RM'000)	12 months 30/06/23 (RM'000)
	(Unaudited)	(Audited)
Cash flows from operating activities		
Loss before tax	(4,266)	(1,391)
Adjustment for non-cash items :-		
Depreciation of property, plant and equipment	4,360	4,541
Depreciation of Right-of-use assets	3,917	3,676
Interest expenses	12,784	9,187
Interest income	(684)	(1,556)
Impairment loss on trade receivables	812	499
Reversal of impairment losses on trade receivables	(324)	(933)
Non-cash items	(728)	(2,475)
Operating profit before working capital changes	15,871	11,548
(Increase) / Decrease in inventories	(544)	4,495
(Increase) in trade and other receivables	8,225	(12,459)
Increase / (Decrease) in trade and other payables	1,862	(815)
Cash generated (used in) / from operations	25,414	2,769
Interest received	615	1,494
Interest paid	(11,093)	(8,373)
Tax paid, net of refund	(840)	(1,940)
Net cash inflow / (outflow) from operating activities	14,096	(6,050)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,028)	(1,355)
Purchase of right-of-use assets	(145)	(25,863)
Purchase of intangible assets	-	(1,200)
Purchase of investment properties	(936)	(319)
Purchase of additional shares in a subsidiary from NCI	-	(14)
Proceeds from disposal of property, plant and equipment	229	484
Proceeds from disposal of investment properties	1,485	6,915
Real property gains tax paid	(1)	(141)
Interest received	70	62
Net cash outflow from investing activities	(1,326)	(21,431)
Cash flows from financing activities		
Net proceeds from / (repayments to) term loans	(1,729)	13,701
Payments of lease liabilities	(1,942)	(1,950)
Net drawdown of short term borrowings	(9,459)	15,060
Dividend paid to NCI	(803)	-
Upfront payment for lease of motor vehicles	-	(489)
Interest paid on term loans	(1,483)	(606)
Interest paid on lease liabilities	(208)	(208)
Decrease in fixed deposit pledged	-	89
Net cash inflow from financing activities	(15,624)	25,597
Effects of changes in exchange rates	(108)	87
Net (Decrease) / Increase in cash & cash equivalents	(2,854)	(1,884)
Cash & cash equivalents at beginning of the financial period	29,077	30,874
Cash & cash equivalents at end of the financial year	26,115	29,077

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Interim Financial Report and the audited financial statements of the Company for the financial year ended 30 June 2023

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND YEAR ENDED 30 JUNE 2024

1. Basis of preparation

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended **30 June 2023** which were prepared under the Malaysian Financial Reporting Standards (“MFRS”) and amendments to standards to be applied by all Entities Other Than Private Entities.

These interim financial statements of the Group are not audited and have been prepared in accordance with the requirements of MFRS 134 – *Interim Financial Reporting* and the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The explanatory notes attached to the interim financial statements 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 financial year ended **30 June 2023**.

2. Significant accounting policies

The accounting policies applied by the Group in these interim consolidated interim financial statements are consistent with the audited financial statements for the financial year ended 30 June 2023, except for the adoption of the following new MFRSs which are effective for annual periods beginning on or after 1 January 2023.

Amendments to MFRS 101 – Presentation of Financial Statements - Disclosure of Accounting Policies

Amendments to MFRS 108 – Definition of Accounting Estimates

Amendments to MFRS 112 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above amendments to MFRSs are not expected to have any significant impact on the financial statements of the Group.

The Group will adopt the following amendments of MFRSs that are applicable when they become effective. The initial application of the amendments is not expected to have any significant impact on the financial statements of the Group.

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 – Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 – Classification of Liabilities as Current or Non-current

Amendments to MFRS 101 – Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7- Supplier Finance Arrangements

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 – Lack of Exchangeability

Effective for annual periods beginning on or after a date to be determined by MASB

Amendments to MFRS 10 and MFRS 128 – Sales or Contribution of Assets between an Investor and its Associate or Joint Venture

3. Auditors' Report in respect of the 2023 Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2023 was not qualified.

4. Seasonality or Cyclicity of Interim Operations

The Group's performance was not affected by any significant seasonal or cyclical factors in the current quarter under review.

5. Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial year ended 30 June 2024.

6. Changes in Estimates

There were no material changes in estimates that have had a material effect during the financial year ended 30 June 2024.

7. Debt and Equity Securities

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities during the financial year ended 30 June 2024.

8. Dividends

No dividend has been declared for year ended 30 June 2024.

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9. Segment Information

	Current year quarter 3 months 30/06/24 (RM'000)	Preceding year quarter 3 months 30/06/23 (RM'000)	Current year to date 12 months 30/06/24 (RM'000)	Preceding year to date 12 months 30/06/24 (RM'000)
<u>Segment Revenue</u>				
Trading of steel & building materials	147,945	151,985	622,793	570,134
Steel Service Centre	49,188	40,634	194,679	161,941
Trading of IT related products	7,104	7,506	29,009	36,199
Food & Beverage	3,182	2,525	12,201	11,286
Others	3,051	544	7,071	2,159
Total revenue including inter-segment sales	210,470	203,194	865,753	781,719
Elimination of inter segment sales	(24,203)	(34,009)	(90,450)	(122,241)
Total revenue	186,267	169,185	775,303	659,478
<u>(Loss) / Profit before taxation</u>				
Trading of steel & building materials	1,545	740	968	6,577
Steel Service Centre	(2,114)	496	(681)	(2,299)
Trading of IT related products	(882)	(560)	(2,598)	(2,655)
Food & Beverage	(19)	(79)	133	(109)
Others	(702)	(1,775)	(2,088)	(2,905)
Total (Loss) / Profit before taxation	(2,172)	(1,178)	(4,266)	(1,391)

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10. Valuation of Property, Plant and Equipment

During the financial year end, the Group had reassessed its fair value on its investment properties based on desktop valuation by professional valuer and generated a fair value gain of RM 472,768.00.

11. Material Events Subsequent to the Balance Sheet Date

There were no material events which occurred subsequent to the balance sheet date until the date of this announcement.

12. Contingent Liabilities/Contingent Assets

	30/06/24 (RM'000)	30/06/23 (RM'000)	Changes (RM'000)
Corporate guarantees in respect of Banking facilities granted to subsidiary Companies	244,357	255,750	(11,393)
Corporate guarantees in respect of the Supply of goods to subsidiary companies	25,599	26,243	(644)

13. Capital Commitments

The Group has commitments as follows:

	30/06/24 (RM'000)	30/06/23 (RM'000)	Changes (RM'000)
Capital expenditure approved and contracted for	-	936	(936)

14. Cash and Cash Equivalents

	As at 30/06/24 (RM'000)	As at 30/06/23 (RM'000)
Fixed deposit with a licensed bank	-	-
Cash and bank balances	27,876	31,045
Bank overdraft	(1,761)	(1,968)
	26,115	29,077
Less : Fixed Deposits pledged	-	-
	26,115	29,077

15. Review of performance

The Group's revenue for the current year quarter grew by 10.10% to RM 186 million as compared to RM 169 million in the preceding year quarter. As for the profit before tax, it reported a decline of 84.38%, resulting in a loss of RM 2.17 million as compared to the preceding year quarter, which recorded a loss of RM 1.18 million.

For the current 12 months year to date, the Group's revenue reported an increase of 17.56% as compared to the preceding 12 months year to date of RM 775 million and RM 659 million respectively. However, the loss before tax increased from RM 1.39 million to RM 4.27 million.

	Current year quarter	Preceding year quarter		Current year to date 12 months	Preceding year to date 12 months	
	30.06.24	30.06.23	Change	30.06.24	30.06.23	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue						
Trading of steel & building materials	146,276	135,699	7.79	615,419	511,594	20.29
Steel Service Centre	29,433	23,168	27.04	115,157	99,270	16.00
Trading of IT related products	7,104	7,506	-5.36	29,009	36,199	-19.86
Food and Beverage	3,182	2,525	26.02	12,201	11,286	8.11
Others	272	283	-3.89	3,517	1,129	211.51
Total	186,267	169,185	10.10	775,303	659,478	17.56
Profit / (Loss) before taxation						
Trading of steel & building materials	1,545	740	108.78	968	6,577	-85.28
Steel Service Centre	(2,114)	496	-526.21	(681)	(2,299)	70.38
Trading of IT related products	(882)	(560)	-57.50	(2,598)	(2,655)	2.15
Food and beverage	(19)	(79)	75.95	133	(109)	222.02
Others	(702)	(1,775)	60.45	(2,088)	(2,905)	28.12
Total	(2,172)	(1,178)	-84.38	(4,266)	(1,391)	-206.69

15. Review of Performance (cont'd)

The reasons for the changes in the various sectors are as follows:

i) Trading of steel and building materials

Current quarter against preceding year quarter (3 months)

Revenue increased by 7.79% whilst the profit before tax also reported an improvement by 108.78% mainly due to higher steel prices which resulted higher selling margin.

Current 12 months year to date against preceding year 12 months year to date

Despite revenue increased by 20.29% due to higher demand for steel products, profit before tax was reduced by 85.28% due to low selling margin and closing stock valuation variance.

ii) Steel Service Centre

Current quarter against preceding year quarter (3 months)

Although revenue was up by 27.04% mainly due to higher demand and selling price, the profitability reported an adverse result from a profit of RM 0.49 million to a loss of RM 2.11 million due to closing stock valuation variance.

Current 12 months year to date against preceding year 12 months year to date

Revenue increased by 16.00% due to high demand and selling margin for the first 3 quarters of the year but the profit before tax was adversely affected during the last quarter of the year with low selling margin, negative closing stock valuation variance and operational loss from Cambodia subsidiary operation.

iii) Trading of IT related products

Current quarter against preceding year quarter (3 months)

The lower revenue was mainly due to the closure of physical outlets in Aeon mall and Lotus's hypermarket. As for the loss before tax, it reported a higher loss of RM 0.88 million as compared to a loss before tax of RM 0.56 million in the preceding year quarter mainly due to write down of obsolete stock.

Current 12 months year to date against preceding year 12 months year to date

The revenue and profitability were relatively unchanged.

iv) Food and Beverage (F&B) Division

Current quarter against preceding year quarter (3 months)

The increase in revenue was from the opening of 2 new outlets, one "Papparich" and one "Bhai Jim Jum" during Q4 2024. The profit before tax was relatively unchanged despite higher revenue due to set up cost of new outlets.

Current 12 months year to date against preceding year 12 months year to date

The improvement of RM 0.13 million in the profit before tax was due to the opening of 2 new outlets and lower operating cost.

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16. Material changes in Profit/(Loss) Before Taxation (“PBT/LBT) against preceding quarter

	Current year quarter 3 months 30/06/24 (RM'000)	Immediate preceding quarter 3 months 31/03/24 (RM'000)	Change %
Revenue			
Trading of steel & building materials	146,276	160,706	-8.98
Steel Service Centre	29,433	28,155	4.54
Trading of IT related products	7,104	6,666	6.57
Food and Beverage	3,182	3,039	4.71
Others	272	2,657	-89.76
Total	186,267	201,223	-7.43
Profit / (Loss) before taxation			
Trading of steel & building Materials	1,545	(836)	284.81
Steel Service Centre	(2,114)	54	-4,014.81
Trading of IT related products	(882)	(771)	-14.40
Food and Beverage Division	(19)	(141)	86.52
Others	(702)	81	-966.67
Total	(2,172)	(1,613)	-34.66

The reasons for the changes in various sector are as follow:

- i) **Trading of steel & building materials**
Revenue reduced due to Hari Raya holidays. The profit before tax reversed from a loss to profit was mainly due to higher margin.
- ii) **Steel service centre**
No material changes for revenue but profit before tax dropped substantially mainly due to low profit margin and closing stock valuation variance.
- iii) **Trading of IT related products**
The profit before tax recorded further loss of RM 0.88 million as compared to loss before tax of RM 0.77 million for the preceding quarter. This was mainly due to increase in operating costs.
- iv) **Food and Beverage (F&B) Division**
The division recorded loss before tax of RM 0.02 million as compared to loss before tax of RM 0.14 million for the preceding quarter. This was mainly due to increase in revenue during the quarter under review.

17. Commentary on Prospects

The overall Malaysian economy is expected to be bullish with the GDP projected to improve to above 5% for the rest of the year. With the Government's implementation of business friendly policies resulting in an increase in FDI mainly in the manufacturing sectors and Data storage centres coupled with the ongoing infrastructure projects, the construction industry is poised for a strong growth.

The positive sentiments on the economy is expected to spur domestic consumers spending and combined with the relaxation of international tourists visas restrictions to boost tourist arrivals should augur well for the overall F&B industry which will be positive for our business.

Barring any unforeseen circumstances, the Group is optimistic in its performance for the coming year.

18. Profit Forecast and Profit Guarantee

The Group is not subject to any profit forecast or profit guarantee requirements.

19. Income Tax Expenses

	Current year quarter 3 months 30/06/24 (RM'000)	Preceding year quarter 3 months 30/06/23 (RM'000)	Current year to date 12 months 30/06/24 (RM'000)	Preceding year to date 12 months 30/06/23 (RM'000)
Malaysia income tax				
- current	(60)	(108)	1,194	1,484
- under provision in prior years	-	-	(27)	65
- real property gain tax	-	94	-	141
	(60)	(14)	1,167	1,690
Deferred taxation	(1,047)	(144)	(1,065)	(96)
TOTAL	(1,107)	(158)	102	1,594

The effective tax rate for the financial year ended 30 June 2024 is not reflective of the statutory tax rate mainly due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries, and certain expenses which are not deductible for tax purposes.

(Incorporated in Malaysia)

20. Loans and Borrowings

	As at 30/06/24 (RM'000)	As at 30/06/23 (RM'000)
<u>Amount due within one year</u>		
Bank overdrafts	1,761	1,968
Bankers' acceptance	212,000	222,149
Invoice Financing	1,463	772
Term loans	3,956	2,856
	<u>219,180</u>	<u>227,746</u>
<u>Amount due more than one year</u>		
Term Loans	29,133	30,860
Less : amount payable within 12 months	(3,956)	(2,855)
	<u>25,177</u>	<u>28,005</u>
	<u>244,357</u>	<u>255,751</u>

21. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

22. Changes in Material Litigation

As at date of this report, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 30 June 2023.

23. Earnings per share
a. Basic earnings per share

The basic earnings per share is calculated by dividing the profit attributable to owners of the parent for the period by the total number of ordinary shares of the Company in issue for the respective period as follows:

	Current year quarter 3 months 30/06/24 (RM'000)	Preceding year quarter 3 months 30/06/23 (RM'000)	Current year to date 12 months 30/06/24 (RM'000)	Preceding year to date 12 months 30/06/23 (RM'000)
Loss attributable to the owners of the parent (RM'000)	(866)	(349)	(4,465)	(2,406)
Total number of ordinary shares in issue ('000)	168,670	168,670	168,670	168,670
Basic loss per share (sen)	(0.51)	(0.21)	(2.65)	(1.43)



(Incorporated in Malaysia)

24. Authorisation for Issue

This interim consolidated financial statement were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

BY ORDER OF THE BOARD

DATO' LIM LOONG HENG
DEPUTY MANAGING DIRECTOR

Date: 29 August 2024