

FEDERAL INTERNATIONAL HOLDINGS BERHAD

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2024

These figures have not been audited and should be read in conjunction with the latest audited financial statements

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/6/2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2023 RM'000	CURRENT YEAR TO DATE 30/6/2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2023 RM'000
1. Revenue	37,936	23,029	109,487	115,533
Investment income	-	-	-	-
Other income including interest income	1,298	13,463	2,776	14,153
Operating expenses	(37,647)	(24,504)	(106,985)	(108,636)
2. (a) Profit/(Loss) from operations before interest on borrowings, depreciation and amortisation, income tax and minority interest	1,587	11,988	5,278	21,050
(b) Interest on borrowings	(164)	(289)	(1,261)	(1,441)
(c) Depreciation and amortisation	(506)	(519)	(1,987)	(1,968)
(d) Profit/(Loss) from operations after interest on borrowings, depreciation and amortisation	917	11,180	2,030	17,641
(e) Share of profit/(loss) in associated company	68	60	83	(37)
(f) Profit/(Loss) before taxation	985	11,240	2,113	17,604
(g) Income tax expenses	(44)	(1,477)	(860)	(3,254)
3. Profit/(Loss) for the period	941	9,763	1,253	14,350
Other comprehensive income, net of tax	-	-	-	-
4. Total comprehensive income for the period	941	9,763	1,253	14,350
5. Profit/(Loss) for the period attributable to:-				
(i) Owners of the parent	941	9,437	1,256	14,031
(ii) Non-controlling interest	-	326	(3)	319
	941	9,763	1,253	14,350
6. Total comprehensive income attributable to:-				
(i) Owners of the parent	941	9,437	1,256	14,031
(ii) Non-controlling interest	-	326	(3)	319
	941	9,763	1,253	14,350
7. (a) Earnings per share based on 5(i) above after deducting any provision for preference dividends, if any:-				
(i) Basic based on 139,040,494 ordinary shares - (sen)	0.68	6.64	0.90	9.87
(ii) Fully diluted based on 153,822,114 shares - (sen)	0.61	4.95	0.82	7.35
8. Net assets per share (RM)			0.8024	0.9777

FEDERAL INTERNATIONAL HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

These figures have not been audited and should be read in conjunction with the latest audited financial statements

	AS AT END OF CURRENT QUARTER 30/6/2024	AS AT PRECEDING FINANCIAL YEAR END 30/6/2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	20,254	21,095
Investment properties	7,354	7,540
Goodwill on consolidation	18,556	18,556
Investment in a joint venture	2,689	2,606
Trade receivables	11,131	7,789
	<u>59,984</u>	<u>57,586</u>
Current assets		
Inventories	1,706	2,038
Trade receivables	107,683	99,316
Other receivables	4,349	7,224
Other investments	1,286	13,217
Cash and bank balances	8,163	12,965
	<u>123,187</u>	<u>134,760</u>
TOTAL ASSETS	<u>183,171</u>	<u>192,346</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	82,708	106,386
Treasury shares	(3,897)	(588)
Reserves	32,174	33,446
Equity attributable to owners of the parent	<u>110,985</u>	<u>139,244</u>
Non-controlling interest	-	27
Total equity	<u>110,985</u>	<u>139,271</u>
Non-current liabilities		
Borrowings	3,525	3,322
Deferred tax liabilities	1,442	1,446
Trade payables	4,697	3,775
	<u>9,664</u>	<u>8,543</u>
Current liabilities		
Trade payables	35,331	21,481
Other payables	14,905	5,274
Borrowings	10,060	13,067
Provision for taxation	2,226	4,710
	<u>62,522</u>	<u>44,532</u>
Total liabilities	<u>72,186</u>	<u>53,075</u>
TOTAL EQUITY AND LIABILITIES	<u>183,171</u>	<u>192,346</u>

FEDERAL INTERNATIONAL HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2024

These figures have not been audited and should be read in conjunction with the latest audited financial statements

	<-----Attributable to owners of the parent----->						Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Ordinary Share Capital RM'000	RCPS RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Foreign exchange reserve RM'000	Accumulated losses / Retained earnings RM'000			
At 1 JULY 2022	74,610	31,776	(42)	2,255	(55)	21,296	129,840	(292)	129,548
Conversion of shares	1,890	(1,890)	-	-	-	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-	(1,344)	(1,344)
Shares repurchased	-	-	(546)	-	-	-	(546)	-	(546)
Dividends paid	-	-	-	-	-	(3,535)	(3,535)	-	(3,535)
Profit for the financial year	-	-	-	-	-	13,395	13,395	1,663	15,058
Other comprehensive income for the financial year	-	-	-	-	90	-	90	-	90
AS AT 30 JUNE 2023	<u>76,500</u>	<u>29,886</u>	<u>(588)</u>	<u>2,255</u>	<u>35</u>	<u>31,156</u>	<u>139,244</u>	<u>27</u>	<u>139,271</u>
At 1 JULY 2023	76,500	29,886	(588)	2,255	35	31,156	139,244	27	139,271
Preference shares redeemed	-	(23,678)	-	-	-	-	(23,678)	-	(23,678)
Disposal of subsidiaries	-	-	-	-	-	-	-	39	39
Shares repurchased	-	-	(3,309)	-	-	-	(3,309)	-	(3,309)
Dividends paid	-	-	-	-	-	(2,485)	(2,485)	(63)	(2,548)
Profit for the financial year	-	-	-	-	-	1,256	1,256	(3)	1,253
Other comprehensive income for the financial year	-	-	-	-	(43)	-	(43)	-	(43)
AS AT 30 JUNE 2024	<u>76,500</u>	<u>6,208</u>	<u>(3,897)</u>	<u>2,255</u>	<u>(8)</u>	<u>29,927</u>	<u>110,985</u>	<u>-</u>	<u>110,985</u>

FEDERAL INTERNATIONAL HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2024

These figures have not been audited and should be read in conjunction with the latest audited financial statements

	Unaudited 30/06/2024 RM'000	Audited 30/06/2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	2,113	18,453
Adjustments for:		
Depreciation of investment properties	186	186
Depreciation of property, plant and equipment	1,801	1,971
Impairment losses on receivables	-	1,101
Written-down of inventories	-	742
Write-back of payables	-	(39)
Reversal of impairment loss on contract assets	-	(85)
Interest expense	1,261	1,476
Interest income	(123)	(135)
Property, plant and equipment written off	-	-
Loss/(Gain) on disposal of property, plant and equipment	(36)	(18)
Loss/(Gain) on changes of fair value of an investment	2,389	(12,872)
Loss/(Gain) on disposal of subsidiaries	39	(1,347)
Loss/(Gain) on winding-up of a subsidiary	-	(43)
Loss/(Gain) on conversion of shares	-	2,499
Loss/(Gain) on disposal of other investments	(250)	4
Share of results of a joint venture, net of tax	(83)	374
Unrealised gain on foreign exchange	-	(68)
Operating (loss)/profit before working capital changes	<u>7,297</u>	<u>12,199</u>
Changes in working capital:		
Inventories	332	(796)
Receivables	(8,833)	8,989
Payables	<u>23,814</u>	<u>(5,243)</u>
Cash (used in)/generated from operations	<u>22,610</u>	<u>15,149</u>
Interest received	123	122
Interest paid	(1,261)	(1,476)
Shares repurchased	<u>(3,348)</u>	<u>(3,669)</u>
Net cash (used in)/generated from operating activities	<u>18,124</u>	<u>10,126</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	36	18
Proceeds from disposal of other investments	9,852	2,090
Purchase of property, plant and equipment	(190)	(719)
Disposal of subsidiary	-	(3)
Additional investment in a joint venture	-	(2,500)
Placement of fixed deposits	567	(573)
Placement of short-term fund	(60)	5,542
Advances to a joint venture	-	2,225
Net cash (used in)/generated from investing activities	<u>10,205</u>	<u>6,080</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid - owners of the company	(1,894)	(2,665)
Dividend paid - non-controlling interests	(63)	-
Repayment to directors	-	(48)
Loans (repaid)/raised	4,498	(479)
Repayment of hire purchase and lease payables	(813)	(1,299)
Redemption of preference shares	(23,678)	-
Acquisition of treasury shares	<u>(3,309)</u>	<u>(546)</u>
Net cash generated from/(used in) financing activities	<u>(25,259)</u>	<u>(5,037)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,070	11,169
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,908	(7,312)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(43)	51
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>6,935</u>	<u>3,908</u>
Cash and cash equivalents comprised of :		
Fixed deposit with licensed banks	39	606
Cash and bank balances	8,127	12,358
Bank Overdrafts	(1,192)	(1,453)
Contract financing	-	(6,997)
Fixed deposit with maturity more than 3 months	<u>(39)</u>	<u>(606)</u>
	<u>6,935</u>	<u>3,908</u>

FEDERAL INTERNATIONAL HOLDINGS BERHAD

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2024

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of preparation

These interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“MMLR”). The interim financial statements 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 attached to these interim financial statements. 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 year ended 30 June 2023.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 30 June 2023.

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 July 2023 or later are provided in note 2 to the audited financial statements of the Group for the financial year ended 30 June 2023. The adoption of the new standards and amendments/annual improvements to existing standards did not have any significant impact to the Group during the current quarter and financial period to date.

2. Audit Report of Preceding Audited Financial Statements

The preceding year’s annual audited financial statements were not subject to any qualifications from the auditors.

3. Seasonal or Cyclical Factors

The operations are subject to the cyclical nature of the property and construction industry especially in the residential and hospitality segments.

4. Unusual items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that were material and unusual because of their nature, size or incidence in the current quarter.

5. Changes in estimates

There were no material changes in estimates of amount reported in prior interim periods or in previous financial years which have a material effect in the current quarter.

6. Debt and equity securities

There were no issuances, cancellation, repurchase, resale and repayments of debt and equity securities during the current quarter. As at the end of the current quarter the number of ordinary shares is 144,959,531. During the current quarter, the Company bought 10,000 shares as treasury shares. As at the end of the current quarter, the number of treasury shares is 6,640,572.

7. Dividends paid

No dividend was paid during the quarter.

8. Segmental Information

Period ended 30 June 2024	Turnover RM '000	Profit /(Loss) Before Taxation RM '000	Total Assets Employed RM '000
Manufacture and export	15,605	2,128	15,592
Trading and retail	69	36	80
Investment holding	-	10,034	20,700
Construction and interior fit-out	94,844	3,713	140,020
Others	-	(7)	-
Total before Group elimination	110,518	15,904	176,392
Inter segment elimination	(1,031)	(13,776)	-
Consolidation adjustment	-	(15)	6,779
After elimination	109,487	2,113	183,171

Period ended 30 June 2023 (Restated)	Turnover RM '000	Profit /(Loss) Before Taxation RM '000	Total Assets Employed RM '000
Manufacture and export	20,897	2,016	17,133
Trading and retail	-	396	61
Investment holding	-	11,777	22,233
Construction and interior fit-out	110,277	9,821	133,906
Others	-	(6)	0
Total before Group elimination	131,174	24,004	173,333
Inter segment elimination	(15,641)	(6,319)	-
Consolidation adjustment	-	(81)	20,091
After elimination	115,533	17,604	193,424

9. Valuation of Property, Plant and Equipment

There were no changes in the valuation of the property, plant and equipment reported in the previous audited financial statements that will have an effect in the current financial quarter under review.

10. Material Events Subsequent to the Quarter End

There were no material events subsequent to the end of the current quarter that have not been reflected in the financial statements of the interim period.

11. Changes in Group Composition

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

12. Changes in Contingent Liabilities

There were no changes in contingent liabilities or contingent assets as at the date of this announcement.

13. Related party transactions

There were no related party transactions for the financial quarter under review.

ADDITIONAL INFORMATION REQUIRED PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

14. Review of Performance

Q4 group turnover increased by 65% to RM37.9m from RM23.0m for the corresponding period a year ago on account of higher revenue from the construction and interior fit-out division. The manufacturing division's gross sales decreased by 20% to RM3.4m compared to RM4.2m a year earlier. Total number of stores shipped and stores sales from our major customer increased by 9% in the current quarter as compared to the corresponding period last year. Including inter-segment sales, other sales for the current quarter was at RM118k as compared to RM2.8m a year earlier. As a result of the reduced sales, gross margin decreased by 13% compared to the corresponding period last year. However, the division's operating profit for the quarter increased by almost 7 times to RM507k compared to RM76k a year earlier due to lower operating expenses and recovery of debts previously provided for in the current quarter. YTD turnover decrease by 16% to RM15.2m from RM18.1m a year ago while the division recorded YTD profit of RM2.7m compared to RM2.2m for the same period a year ago.

The construction and interior fit-out (CIFO) division's turnover almost doubled to RM34.6m from RM18.8m for the same period a year ago. Gross margin was lower compared to the corresponding quarter on lower margin from the existing contracts compared to the previous year. Operating expenses was lower in the current quarter as compared to last year due to one-off provision for doubtful debts in the corresponding period a year ago, while other income was higher in the current quarter on account of the recovery of debts previously provided. The division registered an operating profit of RM1.4m for the quarter, same as the operating profit of RM1.4m a year ago. At the end of the quarter the division has unbilled contracts of approximately RM119m carried forward. YTD turnover decreased marginally to RM94.2m from RM97.4m a year ago while the division recorded YTD profit of RM4.4m compared to RM7.7m for the same period a year ago due to the lower margin from the current projects resulting from the challenging economic situation.

On consolidated basis, PBT was at RM984k compared to PBT of RM11.2m a year ago on account of lower margin in the current quarter and the recognition of nett gain on fair value changes of financial assets amounting to RM10.4m in the corresponding period last year. PAT was at RM941k compared to RM9.8m for the same period last year

15. Comparison with Preceding Quarter

PBT for the current quarter is at RM984k compared to a LBT of RM1.7m in the preceding quarter due to higher turnover and the resulting margin contributions thereof in the current quarter.

16. Prospects

The manufacturing division of the Group has seen a significant reduction in export orders due to the challenging global retail sector and inflationary environments as well as having more direct competition from local vendors where its' products are being shipped to. The prospect for the manufacturing division going forward will hinge on its key customers' store expansion programme and the ability to secure other sales. The division continues to undertake measures to control its' operating overheads to mitigate the effect of the lower revenue while gross margin will hinge on the strength of the United States Dollar against the Ringgit and the production throughput.

Excluding contracts that are already more than 90% completed, the CIFO division now has ongoing secured projects with a combined contract sum of RM142m that will provide profit visibility and is expected to secure further related party contracts in the current year to ensure that it continues to make a significant contribution to the Group's result. The prospect for the current year will hinge on the timely and uninterrupted execution of these projects as well as managing the effects on hike in construction cost.

The overall economic growth outlook remains subject to downside risks, mainly from an escalation of geopolitical tensions, higher-than-anticipated inflations and volatility in global financial markets. It is anticipated that the operating landscapes will remain volatile in terms of supply chain and price escalations. As a result of all these factors, the respective divisions could see some margin compression and the Group will continue its efforts in mitigating these risks.

17. Profit Forecast and Profit Guarantee

Not applicable.

18. Taxation

	<u>Current Quarter</u>	<u>Year-to-date</u>
	RM'000	RM'000
Current year provision / (write-back)	(556)	907
Under/(over) provision in prior years	90	(42)
Deferred tax	510	(5)
Real Property Gains Tax	-	-
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Total tax	44	860
	=====	=====

19. Status of corporate proposal

None.

20. Group borrowings and debt securities as at end of reporting period

- **Group Borrowings :**

RM'000	Short term	Long term
Secured :		
Bank overdrafts	1,192	-
Bankers' acceptances	1,138	-
Contract Financing	-	-
Hire Purchase	328	899
Invoice Financing	1,746	-
Lease Liabilities	20	556
Revolving Credit	5,555	-
Term loans	81	2,070
Unsecured :		
Bank overdrafts	-	-
Bankers' acceptances	-	-
Revolving credit	-	-
Total group borrowings	10,060	3,525

21. Off Balance Sheet Financial Instruments.

There were no off balance sheet financial instruments at the date of this report other than as follows:-

The Company has provided various financial guarantees to banks for the guarantee of credit facilities granted to its various subsidiaries. The Company has carried out an assessment of the probability and timing of default, the sufficiency of assets to meet the financial obligations at subsidiary level, assets pledged as security in respect of facility guaranteed in determining the necessity to fair value the financial guarantee in its books.

22. Changes in material litigation

There were no changes in material litigation during the interim period to-date.

23. Dividend proposed

No dividend had been proposed during the quarter.

24. Basic/diluted earnings per share.

The basic earnings per share is calculated based on the Group's profit attributable to shareholders of RM1.3m and the average number of shares in issue net of treasury shares of 139,040,494; whereas diluted earnings per share is calculated based on the average number of shares in issue net of treasury shares plus weighted average number of redeemable convertible preference shares of 153,822,114.

25. Additional notes to the Statement of Comprehensive Income

	<u>Current Quarter</u>	<u>Year- to-date</u>
	RM '000	RM '000
(Loss) / profit for the period / year is arrived at after charging / (crediting):		
Interest income	(9)	(123)
Other income	(98)	(454)
Interest expenses	164	1,261
Depreciation and amortization	506	1,987
(Gain)/Loss on disposal of		
- Property, plant and equipment	-	(36)
- Investments	(250)	(250)
Write back of provision for		
- Receivables	(867)	(1,617)
(Gain)/Loss on changes in fair value of investment	573	2,389
Foreign exchange (gain)/loss	(74)	(296)

Other than the items highlighted above which have been included in the Statement of Profit or Loss and Other Comprehensive Income, there were no gain or loss on derivatives and exceptional items for the current quarter and period ended 30 June 2024.