



HEXTAR INDUSTRIES BERHAD

201101044580 (972700-P)
(Incorporated in Malaysia)

Interim Financial Report
For the Third (3rd) Quarter Ended
30 September 2024

HEXTAR INDUSTRIES BERHAD
201101044580 (972700-P)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024

	<--Individual Quarter-->		<--Cumulative Quarter-->	
	Unaudited 3 Months Ended 30.09.2024 RM'000	Unaudited 3 Months Ended 30.09.2023 RM'000	Unaudited 9 Months Ended 30.09.2024 RM'000	Unaudited 9 Months Ended 30.09.2023 RM'000
Revenue	285,712	250,678	768,760	771,506
Cost of sales	(241,514)	(213,374)	(667,299)	(639,661)
Gross profit	44,198	37,304	101,461	131,845
Other operating income	1,464	1,973	4,243	5,215
Administrative expenses	(15,017)	(8,343)	(36,302)	(26,255)
Selling and distribution expenses	(10,922)	(12,032)	(28,268)	(28,028)
Profit from operations	19,723	18,902	41,134	82,777
Finance costs	(4,129)	(3,182)	(11,556)	(12,769)
Profit before tax	15,594	15,720	29,578	70,008
Taxation	(4,066)	(2,600)	(7,603)	(15,253)
Profit for the financial period, representing total comprehensive income for the financial period	11,528	13,120	21,975	54,755
Profit for the financial period, representing total comprehensive income for the financial period attributable to:				
- Owners of the company	11,468	13,120	21,727	54,755
- Non-controlling interest	60	-	248	-
	11,528	13,120	21,975	54,755
Earnings per share:				
- Basic (sen)	0.42	0.48	0.79	1.99

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

	Unaudited as at 30.09.2024 RM'000	Audited as at 31.12.2023 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	197,467	206,389
Goodwill on consolidation	7,944	7,944
Intangible assets	394	430
Trade receivables	290	393
	206,095	215,156
CURRENT ASSETS		
Inventories	121,039	186,775
Trade receivables	277,994	199,504
Other receivables, prepayments and deposits	56,324	17,742
Other investments	-	12,138
Contract assets	21,405	9,998
Tax recoverable	91	199
Fixed deposit with licensed banks	1,772	538
Cash and bank balances	109,629	107,754
	588,254	534,648
TOTAL ASSETS	794,349	749,804
EQUITY AND LIABILITIES		
EQUITY		
Share capital	671,443	671,443
Merger deficit	(559,301)	(559,301)
Revaluation reserve	34,439	35,322
Retained earnings	185,346	190,149
	331,927	337,613
Non-controlling interest	2,276	2,028
TOTAL EQUITY	334,203	339,641

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024 (CONTINUED)

	Unaudited as at 30.09.2024 RM'000	Audited as at 31.12.2023 RM'000
CURRENT LIABILITIES		
Trade payables	45,939	64,538
Other payables and accruals	51,224	37,502
Contract liabilities	846	1,397
Lease liabilities	3,907	4,195
Bank borrowings	244,246	176,723
Derivative liabilities	38	68
Tax payable	6,641	10,937
	352,841	295,360
NON-CURRENT LIABILITIES		
Lease liabilities	44,090	45,948
Bank borrowings	37,968	43,149
Deferred tax liabilities	25,247	25,706
	107,305	114,803
TOTAL LIABILITIES	460,146	410,163
TOTAL EQUITY AND LIABILITIES	794,349	749,804
NET ASSET PER SHARE (sen)	12.16	12.36

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SEPTEMBER (3RD) QUARTER ENDED 30 SEPTEMBER 2024**

	<i><- Attributable to the Owners of the Company -></i>					Total Equity RM'000
	<i><----- Non-Distributable -----></i>			<i>Distributable</i>		
Unaudited	Share Capital RM'000	Merger Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Non- Controlling Interest RM'000	
Balance as at 1 January 2024	671,443	(559,301)	35,322	190,149	2,028	339,641
- Profit for the financial period	-	-	-	21,727	248	21,975
- Dividend paid	-	-	-	(27,473)	-	(27,473)
- Realisation of revaluation reserve	-	-	(706)	706	-	-
- Net impact on disposal of revalued properties	-	-	(177)	237	-	60
Balance as at 30 September 2024	<u>671,443</u>	<u>(559,301)</u>	<u>34,439</u>	<u>185,346</u>	<u>2,276</u>	<u>334,203</u>

	<i><- Attributable to the Owners of the Company -></i>					Total Equity RM'000
	<i><-- Non-Distributable --></i>			<i>Distributable</i>		
Unaudited	Share Capital RM'000	Merger Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000		
Balance as at 1 January 2023	671,443	(559,301)	36,261	202,251		350,654
- Profit for the financial period	-	-	-	54,755		54,755
- Dividend paid	-	-	-	(54,947)		(54,947)
- Realisation of revaluation reserve	-	-	(704)	704		-
Balance as at 30 September 2023	<u>671,443</u>	<u>(559,301)</u>	<u>35,557</u>	<u>202,763</u>		<u>350,462</u>

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024

	Unaudited 9 months ended 30.09.2024 RM'000	Unaudited 9 months ended 30.09.2023 RM'000
Cash Flows From Operating Activities		
Profit before tax	29,578	70,008
Adjustment for:		
Amortisation of intangible assets	36	-
Depreciation of property, plant and equipment	12,423	13,652
Gain on lease modification	-	(779)
Gain on disposal of non-current asset held for sale	-	(283)
Impairment loss on other investments	3,144	-
Gain on disposal of property, plant and equipment	(444)	(182)
Inventories written off	149	114
Inventories written down	-	3,634
Property, plant and equipment written off	13	79
Net recovery on receivables	(1,157)	(1,113)
Unrealised (gain)/loss on foreign exchange	(529)	1,242
Interest expenses	11,556	12,769
Interest income	(1,268)	(890)
Operating profit before working capital changes	53,501	98,251
Changes in working capital:		
Inventories	58,143	134,676
Trade and other receivables	(116,011)	(39,056)
Trade and other payables	3,943	(28,748)
Contract assets	(11,407)	-
Contract liabilities	(551)	(344)
	(65,883)	66,528
Cash (used in)/generated from operations	(12,382)	164,779
Interest received	1,268	890
Interest paid	(11,556)	(12,769)
Tax paid	(13,426)	(10,249)
Tax refunded	859	996
	(22,855)	(21,132)
Net cash (used in)/generated from operating activities	(35,237)	143,647

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024 (CONTINUED)

	Unaudited 9 months ended 30.09.2024 RM'000	Unaudited 9 months ended 30.09.2023 RM'000
Cash Flow From Investing Activities		
Purchase of property, plant and equipment	(4,995)	(5,880)
Proceed from disposal of property, plant and equipment	2,413	1,113
Withdrawal of other investments	8,994	-
Net cash generated from/(used in) investing activities	<u>6,412</u>	<u>(4,767)</u>
Cash Flow From Financing Activities		
Dividend paid	(27,473)	(54,947)
Net changes in the pledged fixed deposits	(10)	-
Drawdown/(Repayment) of borrowings	58,413	(104,539)
Advances from related parties	373	308
Net cash generated from/(used in) financing activities	<u>31,303</u>	<u>(159,178)</u>
Net increase/(decrease) in cash and cash equivalents	2,478	(20,298)
Cash and cash equivalents at beginning of the financial period	106,330	72,456
Cash and cash equivalents at end of the financial period	<u>108,808</u>	<u>52,158</u>
Cash and cash equivalents at end of the financial period comprises:		
- Fixed deposits placed with licensed banks	1,772	292
- Cash and bank balances	109,629	52,158
- Bank overdraft	(2,121)	-
	<u>109,280</u>	<u>52,450</u>
Less: Fixed deposits pledged with licensed banks	(472)	(292)
	<u>108,808</u>	<u>52,158</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

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NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2024

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") No. 134: Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements ("Listing Requirement") of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of Hextar Industries Berhad ("HIB" or "the Group") for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

The significant accounting policies adopted in preparation of this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2023, except for the adoption of the new MFRS, amendments to MFRSs and IC Interpretation as below:

MFRS 17: Insurance Contracts

Amendments to MFRS 17: Insurance Contracts - Initial Application of MFRS 17 and MFRS 9, Financial Instruments

Amendments to MFRS 101: Presentation of Financial Statements - Disclosures of Accounting Policies

Amendments to MFRS 101: Presentation of Financial Statements - Classification of Liabilities as Current or Non-current

Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

Amendments to MFRS 112: Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: Income Taxes - International Tax Reform - Pillar Two Model Rules (Paragraphs 88B, 88C and 88D)

The adoption above mentioned standards did not have any material impact on this interim financial report.

A2. Auditors' report of preceding annual audited financial statements

The auditors' report on the preceding year audited financial statements are not subject to any qualification.

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A3. Seasonal or cyclical factors

The plantation business may be impacted by the adverse weather conditions, which in turn will affect demand for fertilisers.

Saved as disclosed above, the businesses of the Group are not affected by seasonal or cyclical factors.

A4. Unusual items

There are no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period under review.

A5. Material changes in estimates

There are no changes in the estimates of amounts reported in prior financial years that had a material effect on the current financial period under review.

A6. Debt and equity securities

There are no issuances, cancellations, repurchases, resales, repayments of debts and/or securities, shares held as treasury shares or the resale of treasury shares during the financial year ending 31 December 2024.

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A7. Segmental information

The Group's revenues are derived from three (3) reportable segments, as below:

3-months quarter ended 30 September 2024

	Fertilisers RM'000	Industrial and Consumer RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	250,019	35,693	-	-	285,712
Inter-segment sales	23,068	3,153	7,262	(33,483)	-
Total	273,087	38,846	7,262	(33,483)	285,712
Results					
Segment results	18,501	1,643	5,221	(6,021)	19,344
Finance costs	(3,642)	(236)	(255)	4	(4,129)
Finance income	232	60	87	-	379
Profit before tax	15,091	1,467	5,053	(6,017)	15,594
Taxation	(3,747)	(251)	(68)	-	(4,066)
Profit after tax	11,344	1,216	4,985	(6,017)	11,528

9-months quarter ended 30 September 2024

	Fertilisers RM'000	Industrial and Consumer RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	654,918	113,842	-	-	768,760
Inter-segment sales	72,156	13,680	36,743	(122,579)	-
Total	727,074	127,522	36,743	(122,579)	768,760
Results					
Segment results	33,957	7,147	31,743	(32,981)	39,866
Finance costs	(10,174)	(654)	(738)	10	(11,556)
Finance income	852	176	240	-	1,268
Profit before tax	24,635	6,669	31,245	(32,971)	29,578
Taxation	(5,936)	(1,451)	(216)	-	(7,603)
Profit after tax	18,699	5,218	31,029	(32,971)	21,975

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A7. Segmental information (Cont'd)

The Group's revenues are derived from three (3) reportable segments, as below: (Cont'd)

	3-months quarter ended 30 September 2023				
	Fertilisers RM'000	Industrial and Consumer RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	236,445	14,233	-	-	250,678
Inter-segment sales	35,711	657	31,464	(67,832)	-
Total	272,156	14,890	31,464	(67,832)	250,678
Results					
Segment results	19,434	(470)	30,091	(30,515)	18,540
Finance costs	(3,109)	(73)	-	-	(3,182)
Finance income	287	47	28	-	362
Profit/(Loss) before tax	16,612	(496)	30,119	(30,515)	15,720
Taxation	(3,078)	253	(55)	280	(2,600)
Profit/(Loss) after tax	13,534	(243)	30,064	(30,235)	13,120

	9-months quarter ended 30 September 2023				
	Fertilisers RM'000	Industrial and Consumer RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	730,102	41,404	-	-	771,506
Inter-segment sales	113,158	2,923	59,542	(175,623)	-
Total	843,260	44,327	59,542	(175,623)	771,506
Results					
Segment results	79,254	2,841	55,531	(55,739)	81,887
Finance costs	(12,506)	(239)	(24)	-	(12,769)
Finance income	511	165	214	-	890
Profit before tax	67,259	2,767	55,721	(55,739)	70,008
Taxation	(14,808)	(336)	(109)	-	(15,253)
Profit after tax	52,451	2,431	55,612	(55,739)	54,755

A8. Dividend paid

On 22 February 2024, the Company declared an interim single-tier dividend of 1 sen per ordinary share for the financial year ended 31 December 2023, which equivalent to RM27,473,416, paid on 15 March 2024.

A9. Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment in the current financial period under review.

A10. Capital commitments

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

A11. Changes in the composition of the Group

On 15 July 2024, the Company had incorporated a 100% wholly owned subsidiary, namely Global Aroma Sdn. Bhd. ("GASB") with an issued and paid-up capital of 1 ordinary share of RM1 each. The intended principal activity of GASB is to carry on business as retailer deal in coffee, tea, aerated water and all kinds and classes of beverages.

Saved as disclosed above, there are no changes in the composition of the Group for the current financial period ended 30 September 2024.

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A12. Contingent liabilities and contingent assets

There are no contingent liabilities and contingent assets as at the date of this financial report.

A13. Material event subsequent to the end of the quarter

There are no other material event subsequent to the end of current financial period under review that have not been reflected in this interim financial report.

A14. Related party transactions

Transaction with companies in which the major shareholders of the Group have interest for the current quarter ended 30 September 2024 are as follows: -

	<--Individual Quarter-->		<--Cumulative Quarter-->	
	Unaudited	Unaudited	Unaudited	Unaudited
	3 Months	3 Months	9 Months	9 Months
	Ended	Ended	Ended	Ended
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
<u>Income</u>				
Sales of fertilisers	436	146	729	343
Sales or rental of equipment	7	9	25	503
Sales of office supplies	34	-	86	-
<u>Purchase/Expenditure</u>				
Rental of factories and warehouses	1,500	1,897	4,499	5,876
Rental of office	20	19	58	57
Hiring of lorry	70	72	208	186
Purchase of fertilisers	12	633	414	712
Purchase of industrial products	12	-	251	-
Purchase of consumer products	-	-	5	-
Management fee	448	413	1,343	1,313
Transportation charges	133	-	270	54
Storage charges	692	-	2,054	-

The transactions are carried out in the ordinary course of business and on normal commercial terms.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of performance

	Quarter ended 30.09.2024 ("Q3/24") RM'000	Quarter ended 30.09.2023 ("Q3/23") RM'000	Changes RM'000	Changes (%)
Revenue	285,712	250,678	35,034	14.0%
Profit before tax	15,594	15,720	(126)	-0.8%
Profit after tax	11,528	13,120	(1,592)	-12.1%

Comparison between Q3/24 with Q3/23

HIB registered a quarterly consolidated revenue of RM286 million, profit before tax ("PBT") of RM15.6 million and profit after tax ("PAT") of RM11.5 million for the third quarter ended 30 September 2024.

The Group reported a higher revenue of RM286 million or an increase by 14.0% as compared to corresponding quarter's revenue of RM251 million, principally due to the consolidation of newly acquired subsidiaries, Pacific Office (M) Sdn. Bhd. and Hextar Mitai Sdn. Bhd..

Despite higher revenue attained, the Group registered lower PAT of RM11.5 million as compared to the corresponding quarter's PAT of RM13.1 million primarily attributable to an impairment loss of RM3.1 million on other investments.

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B1. Review of performance (Cont'd)

	Year-to-date 30.09.2024 ("YTD-24") RM'000	Year-to-date 30.09.2023 ("YTD-23") RM'000	Changes RM'000	Changes (%)
Revenue	768,760	771,506	(2,746)	-0.4%
Profit before tax	29,578	70,008	(40,430)	-57.8%
Profit after tax	21,975	54,755	(32,780)	-59.9%

Comparison between YTD-24 with YTD-23

For the financial period ended 30 September 2024, the Group reported revenue of RM769 million, marginally decreased by RM2.7 million or 0.4% as compared to the corresponding period's revenue of RM772 million. The decrease was primarily due to the lower average selling price of fertilisers, partially offset by the newly acquired subsidiaries' revenue.

The Fertilisers remains as the Group's core business, contributed 85% of the total revenues. Due to the lower selling price and profit margin attained in the Fertiliser Division, the Group reported a lower net profit of RM22.0 million as compared to the corresponding period of RM54.8 million.

The revenue of Industrial and Consumer Division increased from RM41 million to RM114 million, representing an increase of 178% as compared to last year, mainly due to the new revenue stream of office supplies and engineering solutions. Accordingly, this segment reported a profit after tax of RM5.2 million as compared to the corresponding period's PAT of RM2.4 million.

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B2. Comparison with immediate preceding quarter's results

	Quarter ended 30.09.2024 ("Q3/24") RM'000	Quarter ended 30.06.2024 ("Q2/24") RM'000	Changes RM'000	Changes (%)
Revenue	285,712	245,336	40,376	16.5%
Profit before tax	15,594	7,620	7,974	104.6%
Profit after tax	11,528	5,735	5,793	101.0%

HIB reported a revenue of RM286 million for the third quarter ended 30 September 2024, represents an increase of 16.5% as compared to preceding quarter's revenue of RM245 million, primarily driven by higher delivery of fertilisers. Accordingly, with the higher profit margin attained, the Group achieved a higher net profit of RM11.5 million as compared to preceding quarter's net profit of RM5.7 million.

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B3. Prospects

Fertilisers

In the Budget 2025, Malaysian government's increased replanting support and raised windfall profit levy thresholds. This provides cost relief to the planters and encouraging sector expansion next year. On the other hand, Indonesia, as the world largest palm oil producer, is increasing the biodiesel mandate from B35 to B40. This is likely to exert upward pressure on the CPO prices as well as domestic demand for fertilisers.

The Fertilisers Division is likely to benefit from the favourable macroeconomic factors on the palm oil industry and the Group is well positioned to tap into bigger market, through the partnerships with local distributors, in neighbouring countries to drive the expansion of the export markets. Countries such as Indonesia, Thailand, Vietnam and Myanmar.

In addition, the Group is rolling out an innovative product with a point of difference versus conventional fertilisers which help to alleviate a long-standing issue of the fertilisers industry regarding to leaching losses of nutrients and nutrient run-off. This will be able to resolve the industry issue and aligning sustainability (or ESG) principle to reducing carbon footprint.

Industrial and Consumer

The Group are extending the products and services to new clientele through the newly acquired subsidiaries. The new subsidiaries are engaged in the office supplies and engineering solutions allows HIB tap into the new customers and anticipating a good synergise with the existing businesses.

B4. Profit forecast

The Group does not have any profit forecast in the public documents.

B5. Taxation

	<--Individual Quarter-->		<--Cumulative Quarter-->	
	Unaudited 3 Months Ended 30.09.2024 RM'000	Unaudited 3 Months Ended 30.09.2023 RM'000	Unaudited 9 Months Ended 30.09.2024 RM'000	Unaudited 9 Months Ended 30.09.2023 RM'000
Income tax expense	4,225	2,727	8,002	12,383
Deferred tax	(159)	(127)	(399)	2,870
	<u>4,066</u>	<u>2,600</u>	<u>7,603</u>	<u>15,253</u>

The effective tax for current financial year under review is higher than the Malaysian statutory tax rate of 24% mainly due to certain expenses were not allowable for tax deduction.

B6. Status of corporate proposals announced

On 29 August 2024, HIB, through Sin Chee Heng Sdn. Bhd. ("SCH"), a wholly-owned subsidiary of HIB and PK Fertilizers Sdn. Bhd. ("PKF"), an indirect wholly-owned subsidiary of HIB, respectively entered into 2 conditional sale and purchase agreements ("SPAs") with Pacific Trustees Berhad ("Pacific Trustee"), being the trustee of KIP Real Estate Investment Trust ("KIP REIT"), for the disposals of the following properties to KIP REIT, for a total cash consideration of RM45.90 million ("Proposed Disposals"):

Subsidiaries	Properties to be disposed	Disposal consideration (RM'000)
SCH	A parcel of land together with the buildings erected thereon in Cheras, Selangor	22,600
PKF	Remaining unexpired period of a lease created over a parcel of land together with the buildings erected thereon in Johor Bahru, Johor	23,300
Total		45,900

Simultaneously with the execution of the SPAs, SCH and PKF had respectively signed the tenancy agreements in-escrow with Pacific Trustees for rental of the abovementioned properties from KIP REIT upon the terms and covenants contained therein, commencing upon the completion of the Proposed Disposals ("Proposed Properties Tenancies").

In addition to the above, HIB, through Hextar Solutions Sdn. Bhd. an indirect wholly-owned subsidiary of HIB, entered into a tenancy agreement in-escrow with Pacific Trustees for the rental of a parcel of land together with the buildings erected thereon in Bintulu, Sarawak ("Bintulu Property") from KIP REIT upon the terms and conditions agreed between them. The said tenancy will commence upon the completion of a proposed disposal of the Bintulu Property from the current landlord, Teju Logistics Sdn Bhd to Pacific Trustees ("Proposed Bintulu Disposal"), based on a conditional sale and purchase agreement dated 29 August 2024 ("Proposed Bintulu Tenancy").

As of 20 November 2024, the Proposed Disposals, Proposed Properties Tenancies and Proposed Bintulu Tenancy are pending the approvals of the shareholders, and relevant authorities and/or parties. The Company shall make the necessary announcement regarding any material development thereof accordingly.

Save as disclosed above, there is no other corporate proposal which has been announced but not yet completed as at the date of this report.

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B7. Borrowings

The Group's borrowings are as follows: -

	Denominated in currency	Unaudited as at 30.09.2024 RM'000	Audited as at 31.12.2023 RM'000
Secured			
Bills payable	CNY	1,129	1,135
Bills payable	USD	8,078	5,101
Bills payable	MYR	209,924	132,845
Revolving credit	MYR	15,500	27,000
Bank overdraft	MYR	2,121	1,500
Hire purchases	MYR	2,595	3,550
Term loans	MYR	42,867	48,741
Total bank borrowings		282,214	219,872
Short Term			
Bills payable	CNY	1,129	1,135
Bills payable	USD	8,078	5,101
Bills payable	MYR	209,924	132,845
Revolving credit	MYR	15,500	27,000
Bank overdraft	MYR	2,121	1,500
Hire purchases	MYR	1,041	1,277
Term loans	MYR	6,453	7,865
		244,246	176,723
Long Term			
Hire purchases	MYR	1,554	2,273
Term loans	MYR	36,414	40,876
		37,968	43,149

B8. Changes in material litigation

As at the date of this report, there is no litigation or arbitration, which has a material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or of any fact likely to give rise to any proceedings.

B9. Dividend

No dividend was proposed for the current financial quarter.

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B10. Basic earnings per share/Diluted earnings per share

The basic earnings per share is calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares as follows:

	<--Individual Quarter-->		<--Cumulative Quarter-->	
	Ended		Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	11,468	13,120	21,727	54,755
Weighted average number of ordinary shares in issue ('000)	2,747,342	2,747,342	2,747,342	2,747,342
Basic earnings per share (sen)	0.42	0.48	0.79	1.99

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B11. Disclosure on selected expense/income items as required by the Listing Requirements

	<--Individual Quarter-->		<--Cumulative Quarter-->	
	Unaudited 3 Months Ended 30.09.2024 RM'000	Unaudited 3 Months Ended 30.09.2023 RM'000	Unaudited 9 Months Ended 30.09.2024 RM'000	Unaudited 9 Months Ended 30.09.2023 RM'000
Profit before tax is arrived at after charging/(crediting):-				
- Amortisation of intangible assets	12	-	36	-
- Depreciation of property, plant and equipment	4,094	4,412	12,423	13,652
- Gain on disposal of non-current asset held for sale	-	-	-	(283)
- (Gain)/Loss on disposal of property, plant and equipment	(446)	21	(444)	(182)
- Gain on lease modification	-	(491)	-	(779)
- Impairment loss on other investments	3,144	-	3,144	-
- Interest expenses	4,129	3,182	11,556	12,769
- Interest income	(379)	(362)	(1,268)	(890)
- Inventories written off	149	114	149	114
- Inventories written down	-	-	-	3,634
- Property, plant and equipment written off	-	77	13	79
- Net recovery on receivables	(984)	(652)	(1,157)	(1,113)
- Realised loss/(gain) on foreign exchange	358	244	346	(220)
- Unrealised (gain)/loss on foreign exchange	(298)	84	(529)	1,242

BY ORDER OF THE BOARD
20 November 2024