



**5E RESOURCES LIMITED**  
(Company Registration. No. 202136285K)  
(Incorporated in Singapore)

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

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The contact person for the Sponsor is Mr. Leong Weng Tuck at 36 Robinson Road, #10-06 City House, Singapore 068877, Email: [sponsor@rhtqoc.com](mailto:sponsor@rhtqoc.com).

**5E RESOURCES LIMITED AND ITS SUBSIDIARIES**  
CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2024

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**TABLE OF CONTENTS**

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	3
B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION.....	4
C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY.....	5
D. CONDENSED INTERIM STATEMENTS OF CASH FLOWS.....	7
E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS.....	8
F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES.....	18

**5E RESOURCES LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	6 months ended		Increase/ (Decrease) %
		30 June 2024 MYR'000	30 June 2023 MYR'000	
Revenue from contracts with customers	4	40,817	37,646	8.4
Cost of sales		(21,976)	(18,013)	22.0
<b>Gross profit</b>		<b>18,841</b>	<b>19,633</b>	<b>(4.0)</b>
Other income	6	996	883	12.8
Other gains – net	7	72	281	(74.4)
Administrative expenses		(4,701)	(4,264)	10.2
Selling and distribution expenses		(1,505)	(1,368)	10.0
Finance expenses		(241)	(298)	(19.1)
Net impairment reversal on trade receivables		74	55	34.5
<b>Profit before income tax</b>		<b>13,536</b>	<b>14,922</b>	<b>(9.3)</b>
Income tax expense	9	(3,684)	(4,000)	(7.9)
<b>Net profit and total comprehensive income for the financial period</b>		<b>9,852</b>	<b>10,922</b>	<b>(9.8)</b>
<b>Net profit and total comprehensive income for the financial period attributable to:</b>				
- Owners of the Company		<b>9,852</b>	<b>10,922</b>	<b>(9.8)</b>
<b>Earnings per share attributable to equity holders of the Company (in MYR cents)</b>				
- Basic and diluted earnings per share (excluding treasury shares)	14	<b>6.76</b>	<b>7.41</b>	

**5E RESOURCES LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

Note	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	MYR'000	MYR'000	MYR'000	MYR'000
<b>ASSETS</b>				
<b>Current Assets</b>				
	58,396	62,450	164	867
	-	85	-	-
	16,546	12,947	1	-
	-	-	25,836	25,837
	16	4	-	-
	671	240	4	10
	-	43	-	-
	523	414	-	-
	<b>76,152</b>	<b>76,183</b>	<b>26,005</b>	<b>26,714</b>
<b>Non-Current Assets</b>				
11	51,001	46,569	-	-
	15,128	15,429	-	-
	-	-	55,886	55,886
	<b>66,129</b>	<b>61,998</b>	<b>55,886</b>	<b>55,886</b>
	<b>142,281</b>	<b>138,181</b>	<b>81,891</b>	<b>82,600</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
	11,833	11,734	275	510
	484	143	-	-
	424	665	-	-
12	460	457	-	-
	100	98	-	-
	<b>13,301</b>	<b>13,097</b>	<b>275</b>	<b>510</b>
<b>Non-Current Liabilities</b>				
	9,815	9,864	-	-
12	2,044	2,275	-	-
	1,309	1,350	-	-
	<b>13,168</b>	<b>13,489</b>	<b>-</b>	<b>-</b>
	<b>26,469</b>	<b>26,586</b>	<b>275</b>	<b>510</b>
	<b>115,812</b>	<b>111,595</b>	<b>81,616</b>	<b>82,090</b>
<b>NET ASSETS</b>				
<b>EQUITY</b>				
<b>Capital and reserves</b>				
13	84,977	84,977	84,977	84,977
	(6,492)	(857)	(6,492)	(857)
	(59,250)	(59,250)	-	-
	96,577	86,725	3,131	(2,030)
	<b>115,812</b>	<b>111,595</b>	<b>81,616</b>	<b>82,090</b>

**5E RESOURCES LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

<u>Group</u>	Attributable to owners of the Company				Total MYR'000
	Share capital MYR'000	Treasury shares MYR'000	Reserves MYR'000	Retained profits MYR'000	
<b>Balance at 1 January 2024</b>	<b>84,977</b>	<b>(857)</b>	<b>(59,250)</b>	<b>86,725</b>	<b>111,595</b>
Net profit for the financial period	-	-	-	9,852	9,852
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,852</b>	<b>9,852</b>
Purchase of treasury shares	-	(5,635)	-	-	(5,635)
<b>Transaction with owners</b>	<b>-</b>	<b>(5,635)</b>	<b>-</b>	<b>-</b>	<b>(5,635)</b>
<b>Balance at 30 June 2024</b>	<b>84,977</b>	<b>(6,492)</b>	<b>(59,250)</b>	<b>96,577</b>	<b>115,812</b>

<u>Group</u>	Attributable to owners of the Company				Total MYR'000
	Share capital MYR'000	Treasury shares MYR'000	Reserves MYR'000	Retained profits MYR'000	
<b>Balance at 1 January 2023</b>	<b>84,977</b>	<b>-</b>	<b>(59,250)</b>	<b>70,068</b>	<b>95,795</b>
Net profit for the financial period	-	-	-	10,922	10,922
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,922</b>	<b>10,922</b>
Dividends paid	-	-	-	(4,904)	(4,904)
<b>Transaction with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,904)</b>	<b>(4,904)</b>
<b>Balance at 30 June 2023</b>	<b>84,977</b>	<b>-</b>	<b>(59,250)</b>	<b>76,086</b>	<b>101,813</b>

**5E RESOURCES LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (continued)**

<u>Company</u>	Attributable to owners of the Company			
	Share capital	Treasury shares	Accumulated losses	Total
	MYR'000	MYR'000	MYR'000	MYR'000
<b>Balance as at 1 January 2024</b>	84,977	(857)	(2,030)	82,090
Net profit for the financial period	-	-	5,161	5,161
<b>Total comprehensive income for the period</b>	-	-	<b>5,161</b>	<b>5,161</b>
Purchase of treasury shares	-	(5,635)	-	(5,635)
<b>Transaction with owners</b>	-	<b>(5,635)</b>	-	<b>(5,635)</b>
<b>Balance as at 30 June 2024</b>	<b>84,977</b>	<b>(6,492)</b>	<b>3,131</b>	<b>81,616</b>

<u>Company</u>	Attributable to owners of the Company			
	Share capital	Treasury shares	Accumulated losses	Total
	MYR'000	MYR'000	MYR'000	MYR'000
<b>Balance as at 1 January 2023</b>	84,977	-	(4,653)	80,324
Net profit for the financial period	-	-	9,052	9,052
<b>Total comprehensive income for the period</b>	-	-	<b>9,052</b>	<b>9,052</b>
Dividends paid	-	-	(4,904)	(4,904)
<b>Transaction with owners</b>	-	-	<b>(4,904)</b>	<b>(4,904)</b>
<b>Balance as at 30 June 2023</b>	<b>84,977</b>	-	<b>(505)</b>	<b>84,472</b>

**5E RESOURCES LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**D. CONDENSED INTERIM STATEMENTS OF CASH FLOWS**

	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>MYR'000</b>	<b>MYR'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	13,536	14,922
Adjustments for:		
Property, plant and equipment		
- Depreciation	1,925	1,203
- Written off	-	4
Depreciation of right-of-use assets	301	327
Interest income	(996)	(883)
Finance expenses	241	298
Net impairment (reversal)/loss on trade receivables	(74)	55
Unrealised gain on foreign exchange	8	(296)
	<u>14,941</u>	<u>15,630</u>
Changes in working capital:		
- Inventories	(109)	128
- Trade and other receivables	(3,913)	(4,081)
- Trade and other payables	440	(1,678)
Cash generated from operations	<u>11,359</u>	<u>9,999</u>
Income tax paid	(3,966)	(2,263)
<b>Net cash generated from operating activities</b>	<b><u>7,393</u></b>	<b><u>7,736</u></b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(6,357)	(9,021)
(Advance to)/ repayment from related parties	(12)	8
Withdrawal of short-term fixed deposit	85	404
Interest received	996	883
<b>Net cash used in investing activities</b>	<b><u>(5,288)</u></b>	<b><u>(7,726)</u></b>
<b>Cash flows from financing activities</b>		
Repayment of term loans	(228)	(181)
Purchase of treasury shares	(5,635)	-
Repayment of lease liabilities	(47)	(71)
Dividends paid	-	(4,904)
Interest paid	(241)	(298)
<b>Net cash used in financing activities</b>	<b><u>(6,151)</u></b>	<b><u>(5,454)</u></b>
<b>Net change in cash and cash equivalents</b>	<b><u>(4,046)</u></b>	<b><u>(5,444)</u></b>
<b>Cash and cash equivalents at the beginning of financial period</b>	<b>62,450</b>	<b>60,924</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(8)</b>	<b>296</b>
<b>Cash and cash equivalents at the end of financial period</b>	<b><u>58,396</u></b>	<b><u>55,776</u></b>

**5E RESOURCES LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

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**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**1. General information**

5E Resources Limited (the “**Company**”) was incorporated and domiciled in Singapore on 18 October 2021 as a private company limited by shares. On 25 March 2022, the Company was subsequently converted to a public limited company and the Company’s name was changed to “5E Resources Limited”. The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 12 May 2022.

The address of the Company’s registered office is 30 Cecil Street, #19-08 Prudential Tower, Singapore 047912.

The Company is an investment holding company. The Company, together with its subsidiaries (the “**Group**”), are principally engaged in the provision of scheduled waste management services, sales of recovered and recycled products and trading of chemicals.

**2. Basis of preparation**

These condensed interim financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”) 1-34 “Interim Finance Reporting”. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the estimation of income tax and adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Malaysia Ringgit (“**MYR**”) (“presentation currency”), which is the functional currency of the Group.

**2.1 New and amended standards adopted by the Group**

On 1 January 2024, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“**INT SFRS(I)**”) that are mandatory for application for the current financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial periods and financial years.



**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

**3. Use of judgements and estimates**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*(a) Estimation of stage of completion for scheduled waste management services*

The revenue from scheduled waste management services is recognised over time when performance obligations of services as promised in the contract is satisfied. Revenue is recognised based on the waste management services completed at the end of the financial year relative to the total services to be provided under the contract. This is determined based on the time period over which the services are provided.

Management has to estimate the time period to complete the services to determine the Group's recognition of revenue.

Significant assumptions are used to estimate the total estimated time period which affect the accuracy of revenue recognition based on the percentage-of-completion. In making these estimates, management has relied on past experience.

As at 30 June 2024, the remaining waste management services has yet to be completed is insignificant.

*(b) Useful lives and residual values of plant and machinery*

The costs of plant and machinery are depreciated on a straight-line basis over their useful lives. Management exercises its judgement in estimating the useful lives and residual values of the depreciable assets. The estimated useful lives reflect management's estimate of the period that the Group intends to derive future economic benefits from the use of the depreciable asset.

The Group reviews annually the estimated useful lives of plant and machinery based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets. It is possible that the Group's future results could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful lives by 1 year would increase the Group's annual depreciation expense by MYR 172,000 and MYR286,000 for 30 June 2024 and 31 December 2023 respectively.

*(c) Impairment of trade receivables*

The loss allowance for financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation.

To measure the expected credit losses, these receivables have been grouped based on days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months and the corresponding credit losses experienced within this period. The historical loss rates are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and inflationary rate in Malaysia to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Any possible changes in these inputs could result in revision to the loss allowance recorded by the Group.

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

**3. Use of judgements and estimates (continued)**

(c) *Impairment of trade receivables (continued)*

Management has considered a range of possible outcomes, i.e. a baseline scenario and the worst-case scenario in computing the expected credit losses (“**ECL**”). In the baseline scenario, management incorporated the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade receivables and made adjustments to the expected loss rates accordingly. In the worst-case scenario, management considered a further increase in expected loss rate as computed in the baseline scenario. A probability-weighting of occurrence was subsequently applied to these two different scenarios to derive at the expected credit loss allowance to be made. A 20% increase in the probability-weighting would increase the loss allowance by MYR45,000 and MYR39,000 for 30 June 2024 and 31 December 2023 respectively.

**4. Revenue and segment information**

The chief operating decision maker (“**CODM**”) has been identified as the Executive Directors of the Group who review the Group’s internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The Group is principally engaged in scheduled waste management services, sales of recovered and recycled products and chemical trading. Information reported to CODM, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group. For the financial period ended 30 June 2024 and 30 June 2023, there are three operating segments based on business type: (1) scheduled waste management services, (2) sales of recovered and recycled products, and (3) chemical trading.

The CODM considers the business from activities perspective and assess the performance of the operating segments based on a measure of gross profit for the purposes of allocating resources. No analysis of segment assets or segment liabilities is regularly provided to the CODM. These reports are prepared on the same basis as the consolidated financial statements.

Transactions between operating segments are carried out on agreed terms. The effects of such intersegment transactions and balances arising thereof are eliminated.

**5E RESOURCES LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

**4. Revenue and segment information (continued)**

	<b>6 months ended 30 June 2024</b>			
	<b>Scheduled waste management services MYR'000</b>	<b>Sales of recovered and recycled products MYR'000</b>	<b>Chemical trading MYR'000</b>	<b>Total MYR'000</b>
<b>Group</b>				
<b>Segment revenue</b>				
Total revenue	34,432	5,659	1,717	41,808
Intersegment revenue elimination	-	(1)	(990)	(991)
Revenue from external customers	34,432	5,658	727	40,817
<b>Segment results</b>	<b>17,457</b>	<b>830</b>	<b>554</b>	<b>18,841</b>
Other income				996
Other gains				72
Administrative expenses				(4,701)
Selling and distribution expenses				(1,505)
Finance expenses				(241)
Net impairment reversal on trade receivables				74
<b>Profit before income tax</b>				<b>13,536</b>
<b>Significant non-cash items</b>				
Depreciation of property, plant and equipment	1,558	365	2	1,925
Depreciation of right-of-use assets	230	54	17	301
Additions: Property, plant and equipment	5,149	1,208	-	6,357

**5E RESOURCES LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

**4. Revenue and segment information (continued)**

	<b>6 months ended 30 June 2023</b>			
	<b>Scheduled waste management services MYR'000</b>	<b>Sales of recovered and recycled products MYR'000</b>	<b>Chemical trading MYR'000</b>	<b>Total MYR'000</b>
<b>Group</b>				
<b>Segment revenue</b>				
Total revenue	32,156	4,728	1,642	38,526
Intersegment revenue elimination	-	-	(880)	(880)
Revenue from external customers	32,156	4,728	762	37,646
<b>Segment results</b>	<b>18,057</b>	<b>1,035</b>	<b>541</b>	<b>19,633</b>
Other income				
- interest income				883
Other gains				281
Administrative expenses				(4,264)
Selling and distribution expenses				(1,368)
Finance expenses				(298)
Net impairment reversal on trade receivables				55
<b>Profit before income tax</b>				<b>14,922</b>
<b>Significant non-cash items</b>				
Depreciation of property, plant and equipment	1,071	132	-	1,203
Depreciation of right-of-use assets	279	34	14	327
Additions:				
Property, plant and equipment	7,739	957	-	8,696

Most of the Group's revenue is generated from customers located in Malaysia and all the assets of the Group are located in Malaysia. Accordingly, no geographical segment analysis is presented.

There was a customer which contributed over 10% of the Group's total revenue during the period ended 30 June 2024 and 30 June 2023.

**5E RESOURCES LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

**5. Financial assets and liabilities**

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
<b>Financial assets</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>
Trade and other receivables	16,546	12,947	1	-
Amount due from a related party	16	4	-	-
Amount due from a subsidiary	-	-	25,836	25,837
Short-term deposits	-	85	-	-
Cash and cash equivalents	58,396	62,450	164	867
	<b>74,958</b>	<b>75,486</b>	<b>26,001</b>	<b>26,704</b>

  

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
<b>Financial liabilities</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>
Trade and other payables	11,833	11,734	275	510
Borrowings	2,504	2,732	-	-
Lease liabilities	9,915	9,962	-	-
	<b>24,252</b>	<b>24,428</b>	<b>275</b>	<b>510</b>

**6. Other income**

	Group	
	30 June 2024	30 June 2023
	MYR'000	MYR'000
Interest income	996	883

**7. Other gains - net**

	Group	
	30 June 2024	30 June 2023
	MYR'000	MYR'000
Write-off of property, plant and equipment	-	(4)
Currency exchange gain – net	72	285
	<b>72</b>	<b>281</b>

**5E RESOURCES LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

**8. Expenses by nature**

	<b>Group</b>	
	<b>6 months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>MYR'000</b>	<b>MYR'000</b>
Depreciation of property, plant and equipment	1,925	1,203
Depreciation of right-of-use assets	301	327
Employee compensation	8,273	6,498
Transportation charges	998	1,072
Fuel oil and petrol	638	553
Utilities expense	1,251	1,203
Short-term leases	495	145
Repair and maintenance fee	1,504	1,182
Raw material consumed	6,221	4,973
Consumables	575	559
Subcontractor charges	1,424	238
Sludge disposal	2,692	3,044
Professional fees	406	406
Others	1,479	2,242
Total cost of sales, administrative expenses and selling and distribution expenses	<b>28,182</b>	<b>23,645</b>

**9. Income tax expense**

	<b>Group</b>	
	<b>6 months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>MYR'000</b>	<b>MYR'000</b>
Tax expense attributable to profit is made up of:		
Current income tax		
- current period	3,724	4,040
Deferred income tax expense	(40)	(40)
	<b>3,684</b>	<b>4,000</b>

**10. Net asset value**

	<b>Group</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>
Net Asset Value per share (excluding treasury shares) (MYR cents)	82	76
Net Asset Value (MYR'000)	115,812	111,595
Number of shares in issue at period/year end (excluding treasury shares)	141,122,084	146,518,384

**5E RESOURCES LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

**11. Property, plant and equipment**

	<b>Buildings</b>	<b>Plant and machinery</b>	<b>Furniture and office equipment</b>	<b>Motor vehicles</b>	<b>Work in progress</b>	<b>Total</b>
	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>
<b>Group</b>						
<b>As at 30 June 2024</b>						
<i>Cost</i>						
Beginning of financial period	22,469	24,860	3,871	8,122	15,804	75,126
Reclassification	15,181	398	87	-	(15,666)	-
Additions	199	71	74	193	5,820	6,357
End of financial period	<u>37,849</u>	<u>25,329</u>	<u>4,032</u>	<u>8,315</u>	<u>5,958</u>	<u>81,483</u>
<i>Accumulated depreciation</i>						
Beginning of financial period	3,215	18,746	2,966	3,630	-	28,557
Depreciation charge	476	717	165	567	-	1,925
End of financial period	<u>3,691</u>	<u>19,463</u>	<u>3,131</u>	<u>4,197</u>	<u>-</u>	<u>30,482</u>
<b>Net book value</b>						
End of financial period	<u>34,158</u>	<u>5,866</u>	<u>901</u>	<u>4,118</u>	<u>5,958</u>	<u>51,001</u>

	<b>Buildings</b>	<b>Plant and machinery</b>	<b>Furniture and office equipment</b>	<b>Motor vehicles</b>	<b>Work in Progress</b>	<b>Total</b>
	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>
<b>Group</b>						
<b>As at 31 December 2023</b>						
<i>Cost</i>						
Beginning of financial year	22,455	24,107	3,833	4,355	5,963	60,713
Additions	14	1,162	95	4,017	9,841	15,129
Disposal	-	(409)	(57)	(250)	-	(716)
End of financial year	<u>22,469</u>	<u>24,860</u>	<u>3,871</u>	<u>8,122</u>	<u>15,804</u>	<u>75,126</u>
<i>Accumulated depreciation</i>						
Beginning of financial year	2,729	17,866	2,679	3,225	-	26,499
Depreciation charge	486	1,285	344	584	-	2,699
Disposal	-	(405)	(57)	(179)	-	(641)
End of financial year	<u>3,215</u>	<u>18,746</u>	<u>2,966</u>	<u>3,630</u>	<u>-</u>	<u>28,557</u>
<b>Net book value</b>						
End of financial year	<u>19,254</u>	<u>6,114</u>	<u>905</u>	<u>4,492</u>	<u>15,804</u>	<u>46,569</u>

Bank borrowings (Note 12) are secured on buildings of the Group with carrying amounts of MYR1,857,000 and MYR1,900,000 as at 30 June 2024 and 31 December 2023 respectively.

**5E RESOURCES LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

**12. Borrowings**

	Group	
	30 June 2024	31 December 2023
	MYR'000	MYR'000
<b><u>Non-current</u></b>		
Term loans (secured)	1,704	1,886
Hire purchase liabilities	340	389
	2,044	2,275
<b><u>Current</u></b>		
Term loans (secured)	364	364
Hire purchase liabilities	96	93
	460	457
<b>Total borrowings</b>	<b>2,504</b>	<b>2,732</b>

These borrowings bear floating interest rates. The weighted average interest rate of the borrowings as at 30 June 2024 and 31 December 2023 is 4.42% and 4.42% per annum. The hire purchase liabilities bear fixed interest rates ranging from 2.33% to 2.36%.

**13. Share capital and treasury shares**

**(a) Share capital**

	Group and Company	
	30 June 2024	31 December 2023
	MYR'000	MYR'000
<b>Issued and full paid</b>		
At beginning of the year and end of the year		
147,747,784 ordinary shares including treasury shares	<b>84,977</b>	<b>84,977</b>

**(b) Treasury shares**

	Group and Company			
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	No of shares		MYR'000	MYR'000
At beginning of the period/ year	956,400	-	857	-
Purchased during the period/ year	5,396,300	956,400	5,635	857
At end of the period/ year	<b>6,352,700</b>	<b>956,400</b>	<b>6,492</b>	<b>857</b>

Treasury shares relate to ordinary shares of the Company that are held by the Company. In the period ended 30 June 2024, the purchase prices of the treasury shares ranged from \$0.28 to \$0.30 per share.

As at 30 June 2024, the Company's treasury shares constituted 4.31% of the total number of ordinary shares outstanding. There were no sales, transfer, cancellation and/ or use of subsidiary holdings or treasury shares during the period ended 30 June 2024.



**5E RESOURCES LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

**14. Earnings per share**

(a) Basic earnings per share

The calculation of basic earnings per share at 30 June 2024 is based on the profit attributable to ordinary shareholders of MYR9,852,000 (30 June 2023: MYR10,922,000) and the weighted average number of ordinary shares\* outstanding during the financial period of 145,726,036 shares (30 June 2023: 147,474,784 shares).

*\*The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the financial period.*

(b) Diluted earnings per share

For the period ended 30 June 2024 and 2023, diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares.

**15. Related party transactions**

In addition to the information disclosed elsewhere in the consolidated interim financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

**(a) Related party transactions**

The ultimate controlling shareholders of the Group are Mr Wong Kim Fatt, Mdm Loo Sok Ching and Mr Ban Kim Wah. Related parties are entities controlled by individuals within the ultimate group of controlling shareholders.

	Group	
	30 June 2024	30 June 2023
	MYR'000	MYR'000
<i>With entities controlled by the two of the ultimate controlling shareholders of the Group:</i>		
Provision of scheduled waste management services	105	91
Cleaning services charges	1	1

	Group	
	30 June 2024	30 June 2023
	MYR'000	MYR'000
<i>Financial guarantee granted for Group's borrowings</i>		
Jointly and severally by certain Directors of the Group	2,504	2,432

**(b) Balances with related parties**

	Group	
	30 June 2024	31 December 2023
	MYR'000	MYR'000
<i>With entities controlled by two of the ultimate controlling shareholders of the Group:</i>		
Trade receivables	16	4

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

**16. Events occurring after the reporting period**

There are no known subsequent events which have led to adjustment to this set of interim financial statements.

**F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES**

**1. Review**

The condensed interim consolidated financial statements of financial position of 5E Resources Limited and its subsidiaries as at 30 June 2024 and the related condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six months ended 30 June 2024 and explanatory notes have not been audited nor reviewed by the Company's auditors.

**2. Review of performance of the group**

**Consolidated Statement of Comprehensive Income**

**Revenue**

Total revenue increased by approximately MYR3.2 million or 8.5% from approximately MYR37.6 million in six months ended 30 June 2023 ("**6M2023**") to approximately MYR40.8 million in six months ended 30 June 2024 ("**6M2024**"). The increase was primarily due to the increase in revenue from our scheduled waste management services segment.

Our revenue generated from scheduled waste management services increased by approximately MYR2.2 million or 6.8% from approximately MYR32.2 million in 6M2023 to approximately MYR34.4 million in 6M2024, primarily due to increase in demand for scheduled waste management services.

Our revenue generated from sales of recovered and recycled products increased by approximately MYR1.0 million or 21.3% from approximately MYR4.7 million in 6M2023 to approximately MYR5.7 million in 6M2024, primarily due to increase in demand for recovered and recycled products.

Our revenue generated from chemical trading slightly decreased by approximately MYR35,000 or 4.6% from approximately MYR762,000 in 6M2023 to approximately MYR727,000 in 6M2024, primarily due to decrease in demand for chemicals from our existing customers.

**Cost of sales**

Our cost of sales increased by approximately MYR4.0 million or 22.2% from approximately MYR18.0 million in 6M2023 to approximately MYR22.0 million in 6M2024. The increase was contributed by the segment of scheduled waste management services and sales of recovered and recycled products.

Cost of sales attributable to scheduled waste management services increased by approximately MYR2.9 million or 20.6% from approximately MYR14.1 million in 6M2023 to approximately MYR17.0 million in 6M2024, mainly due to increase in depreciation, subcontractor charges, repair and maintenance and raw materials cost.

Cost of sales attributable to sales of recovered and recycled products increased by approximately MYR1.1 million or 29.7% from approximately MYR3.7 million in 6M2023 to approximately MYR4.8 million in 6M2024, mainly due to higher cost of purchase of waste especially precious metals.

Cost of sales attributable to chemical trading decreased by approximately MYR48,000 or 21.7% from approximately MYR221,000 in 6M2023 to approximately MYR173,000 in 6M2024, in tandem with the decrease in revenue from chemical trading.

**F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES**  
**(continued)**

**2. Review of performance of the group (continued)**

**Consolidated Statement of Comprehensive Income (continued)**

Gross profit

Gross profit decreased by approximately MYR0.8 million or 4.1% from approximately MYR19.6 million in 6M2023 to approximately MYR18.8 million in 6M2024. Our overall gross profit margin decreased from approximately 52.2% in 6M2023 to 46.2% in 6M2024 due to higher depreciation charge, subcontractor charges and raw materials costs.

Other income

Other income increased by approximately MYR113,000 or 12.8% from approximately MYR883,000 in 6M2023 to approximately MYR996,000 in 6M2024, mainly due to the interest earned from the placement of funds in the fixed deposit accounts and bank current accounts.

Other gains

Other gains decreased by approximately MYR209,000 or 74.4% from approximately MYR281,000 in 6M2023 to approximately MYR72,000 in 6M2024, mainly due to lower net gain on foreign exchange.

Expenses

Our administrative expenses increased by approximately MYR0.4 million or 9.3% from approximately MYR4.3 million in 6M2023 to approximately MYR4.7 million in 6M2024, primarily due to increase in staff cost in 6M2024.

Our selling and distribution expenses increased by approximately MYR0.1 million or 7.1% from approximately MYR1.4 million in 6M2023 to approximately MYR1.5 million in 6M2024, primarily due to increase in marketing staff costs in 6M2024 especially sales commission, in line with the increase in sales in 6M2024.

Our finance expenses decreased by approximately MYR57,000 or 19.1% from approximately MYR298,000 in 6M2023 to approximately MYR241,000 in 6M2024, mainly due to the completion of lease agreements of hostels and forklifts.

Net impairment losses on trade receivables

In 6M2024, we recognised a reversal of impairment loss on trade receivables of approximately MYR74,000 due to improved collection from the customers as at period end.

Income tax expense

Our income tax expense decreased by approximately MYR0.3 million or 7.5% from approximately MYR4.0 million in 6M2023 to approximately MYR3.7 million in 6M2024. Our effective income tax rate increased from approximately 26.8% in 6M2023 to approximately 27.2% in 6M2024, mainly due to higher non-tax deductible expenses.

**5E RESOURCES LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

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**F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES**  
**(continued)**

**2. Review of performance of the group (continued)**

**Consolidated Statements of Financial Position**

Non-current assets

The Group's non-current assets increased by MYR4.1 million from MYR62.0 million as at 31 December 2023 to MYR66.1 million as at 30 June 2024, largely due to:

- a. Increase in property, plant and equipment of approximately MYR6.4 million due to additions of machineries, offset by the depreciation charge of MYR1.9 million; and
- b. Decrease in right-of-use assets of MYR0.3 million mainly due to depreciation charge for the period.

Current assets

The Group's current assets remained stable at MYR76.2 million as at 30 June 2024 and as at 31 December 2023, mainly due to:

- a. Decrease in cash and cash equivalents by MYR4.1 million due to payment to contractors and suppliers.
- b. Trade and other receivables increased by MYR3.6 million due to higher sales recorded.
- c. Decrease in short-term deposits by MYR0.1 million due to withdrawal of fixed deposit placed from the bank.
- d. Increase in other current assets by MYR0.4 million due to higher prepayment to suppliers.

Non-current liabilities

The Group's non-current liabilities decreased by MYR0.3 million from MYR13.5 million as at 31 December 2023 to MYR13.2 million as at 30 June 2024, primarily due to decrease in borrowings by MYR0.2 million as a result of repayment of the existing term loan and hire purchase liabilities.

Current liabilities

The Group's current liabilities increased by MYR0.2 million from MYR13.1 million as at 31 December 2023 to MYR13.3 million as at 30 June 2024, largely due to:

- a. Increase in trade and other payables of MYR0.1 million as a result of higher other payables recorded.
- b. Contract liabilities increased by MYR0.4 million mainly due to higher deposit received from our customers as unfulfilled performance.
- c. Decrease in current income tax liabilities of MYR0.3 million due to lower chargeable income in 6M2024.

Shareholders' equity

The Group's shareholders' equity increased by MYR4.2 million from MYR111.6 million as at 31 December 2023 to MYR115.8 million as at 30 June 2024 mainly due to net profit for the six months ended 30 June 2024 of MYR9.9 million off-set by the purchase of treasury shares of MYR5.6 million.

**F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES  
(continued)**

**2. Review of performance of the group (continued)**

**Consolidated Statements of Cash Flows**

The Group generated net cash from operating activities before movement in working capital of approximately MYR14.9 million in 6M2024 compared with approximately MYR15.6 million in 6M2023 as a result of lower profit before tax.

The Group's net cash flows generated from operating activities remain relatively consistent with corresponding period.

Net cash flows used in investing activities in 6M2024 amounted to approximately MYR5.3 million, which was attributable to purchase of property, plant and equipment of approximately MYR6.4 million, partially offset by interest received of approximately MYR1.0 million and withdrawal of short-term fixed deposit of approximately MYR0.1 million.

Net cash flows used in financing activities in 6M2024 amounted to approximately MYR6.2 million, which was attributable to repayment of borrowings and lease liabilities of approximately MYR0.2 million and MYR0.1 million respectively, purchase of treasury shares of approximately MYR5.6 million and interest paid of MYR0.3 million.

**3. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer opinion:**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is material uncertainty relating to going concern**

Not applicable.

**4. Where a forecast, or a prospect statement, has previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

**5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or event that may affect the group in the next reporting period and the next 12 months**

Consultants and architect have been appointed to prepare and review the drawings for the construction of Phase 2 of our new plant at PTD71200, Jalan Perak 2, Kawasan Perindustrian Pasir Gudang, Mukim Plentong, Johor, Malaysia. The tendering process will commence upon approval of the drawings from the local authorities.

As disclosed in the announcement dated 20 June 2024, our subsidiary, 5E Resources Sdn. Bhd. ("**5ER**") had entered into a conditional sale and purchase agreement to acquire a piece of leasehold industrial land. The application for the State Authority Consent to transfer the property in favour of 5ER has been submitted to the land office and currently awaiting the decision.

The economic and business landscape continues to be challenging amidst rising inflation and continued disruption to the global supply chain. The Group remains vigilant and will continue to focus on improving our operational efficiency to optimise the utilization of the resources.

**F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES**  
**(continued)**

**6. Dividend information**

- a) Whether an interim (final) ordinary dividend had been declared (recommended) for current financial period reported on**

No dividend has been declared or recommended for the six months ended 30 June 2024.

- b) Whether an interim (final) ordinary dividend had been declared (recommended) for previous corresponding period**

No dividend has been declared or recommended for the previous corresponding period for the six months ended 30 June 2024.

- c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hand of shareholders, this must be stated).**

Not applicable

- d) Date payable**

Not applicable

- e) The date on which Registrable Transfers received by the Company (up to 5:00pm) will be registered before entitlements to the dividend are determined.**

Not applicable

**7. If no dividend had been declared/recommendeded, a statement to that effect and the reason(s) for the decision**

No dividend had been declared or recommended for the six months ended 30 June 2024. The available fund will be retained for working capital use.

**8. If the group had obtained a general mandate from shareholders for Interested Parties Transactions (IPTs), the aggregate value of such transaction as require under Rule 920(1)(a)(ii). If no IPT mandate had been obtained, a statement to that effect.**

The Group does not have a general mandate for Interested Person Transactions ("IPT"). There were no other IPT greater than S\$100,000 or more for 6M2024.

**9. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company has received undertakings from all its directors and executive officers in the required format.

**5E RESOURCES LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES**  
**(continued)**

**10. Status of the use of IPO funds raised**

The Group raised net proceeds of S\$8.0 million. As of the date of announcement, the balance of net proceeds is as follows:

	<b>Allocation of net proceeds</b>	<b>Amount utilised as at the date of this announcement</b>	<b>Balance as at the date of this announcement</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Capital investment in facilities, plants, machineries and/or equipment to enhance production efficiency and capacities	7,276	3,985 <sup>(1)</sup>	3,291
General working capital purposes	741	741 <sup>(2)</sup>	-
<b>Total</b>	<b>8,017</b>	<b>4,726</b>	<b>3,291</b>

Notes:

- (1) The amount of approximately S\$3,985,000 was utilised for payment to contractors and suppliers relating to the purchase of machineries and construction of the new plant at PTD 71200, Jalan Perak 2, Kawasan Perindustrian Pasir Gudang, Mukim Plentong, Johor, Malaysia.
- (2) The breakdown of the utilisation of net proceeds to be used for general working capital purposes are as follows:

<b>Summary of Expenses</b>	<b>S\$'000</b>
Purchases from suppliers	239
Staff Cost	233
Utility Bills	96
Tax payment	65
Professional fees	98
Administrative expenses	10
<b>Total</b>	<b>741</b>

**11. Confirmation by the Board**

On behalf of the Board of Directors of the Company, I, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months period ended 30 June 2024 to be false or misleading in any material aspect.

**ON BEHALF OF THE BOARD**

Lim Te Hua  
 Executive Director and Chief Executive Officer  
 6 August 2024