



PT RESOURCES HOLDINGS BERHAD

(Registration No.: 201901032139 (1341469-P))

(Incorporated in Malaysia under the Companies Act 2016)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2023



UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

	Note	Individual Quarter		Cumulative Quarter	
		Unaudited 30.04.2023 RM'000	Unaudited 30.04.2022 RM'000	Unaudited 30.04.2023 RM'000	Audited 30.04.2022 RM'000
Revenue	A9	146,512	73,762	502,605	349,144
Cost of sales		(125,761)	(66,362)	(439,531)	(310,530)
Gross profit		20,751	7,400	63,074	38,614
Other income		451	2,792	786	3,084
Administrative expenses		(1,375)	(5,240)	(24,000)	(18,206)
Other expenses		(54)	-	(54)	-
Impairment gain of financial assets, net		-	58	-	246
Profit from operations		19,773	5,010	39,806	23,738
Finance income		233	59	676	218
Finance costs		(1,117)	(749)	(3,335)	(2,661)
Profit before tax		18,889	4,320	37,147	21,295
Tax expense	B4	(248)	(93)	(673)	(183)
Profit/Total comprehensive income for the financial period/year	B11	18,641	4,227	36,474	21,112
Profit/Total comprehensive income for the financial period/year after taxation attributable to:					
Owners of the Company		18,641	4,227	36,474	21,112
		18,641	4,227	36,474	21,112
Earnings per share					
Basic/Diluted (sen) ⁽²⁾⁽³⁾	B10	3.48	1.06	7.61	5.28

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 30 August 2022 ("Prospectus") and the accompanying explanatory notes attached to this unaudited interim financial report.
- (2) Computed based on the profit attributable to the owners of the Company divided by the weighted average number of ordinary shares as referred to in Note B10.
- (3) The diluted earnings per share ("EPS") for the current and cumulative quarters are equivalent to the basic EPS as the Company does not have any dilutive instruments for the financial year ended 30 April 2022 and 30 April 2023.



UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2023
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	Unaudited As at 30.04.2023 RM'000	Audited As at 30.04.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	20,316	20,482
Right-of-use assets	5,778	6,522
Fixed deposits with licensed banks	25,989	9,859
	52,083	36,863
Current assets		
Inventories	7,606	11,623
Trade receivables	127,078	43,146
Other receivables	3,318	1,167
Tax recoverable	334	331
Fixed deposits with licensed banks	2,014	1
Cash and bank balances	57,981	45,526
	198,331	101,794
Total assets	250,414	138,657
EQUITY AND LIABILITIES		
Equity		
Share capital	67,568	20,001
Merger deficit	(13,400)	(13,400)
Retained earnings	103,204	66,730
Total equity	157,372	73,331
Non-current liabilities		
Borrowings	9,358	10,965
Lease liabilities	2,743	3,294
Provision for restoration costs	1,857	1,336
Deferred tax liabilities	323	272
	14,281	15,867
Current liabilities		
Trade payables	6,105	3,687
Other payables	5,593	9,276
Borrowings	66,483	35,925
Lease liabilities	470	562
Tax payable	110	9
	78,761	49,459
Total liabilities	93,042	65,326
Total equity and liabilities	250,414	138,657
Number of issued shares ('000)	535,020	400,020
Net assets per share attributable to owners of the company (RM) ⁽²⁾	0.29	0.18



UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2023
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D) ⁽¹⁾

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this unaudited interim financial report.
- (2) Computed based on total equity divided by the number of ordinary shares of 400,020,000 and 535,020,000 as at 30 April 2022 and 30 April 2023 respectively.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

	Attributable to owners of the Company			Total equity RM'000
	Non-Distributable		Distributable	
	Share capital RM'000	Merger deficit RM'000	Retained earnings RM'000	
Balance as at 1 May 2021	20,001	(13,400)	45,618	52,219
Total comprehensive income for the financial year	-	-	21,112	21,112
Balance as at 30 April 2022	20,001	(13,400)	66,730	73,331
Balance as at 1 May 2022	20,001	(13,400)	66,730	73,331
Total comprehensive income for the financial year	-	-	36,474	36,474
<u>Transaction with owners:-</u>				
Issuance of shares	48,600	-	-	48,600
Share issuance expenses	(1,033)	-	-	(1,033)
Balance as at 30 April 2023	67,568	(13,400)	103,204	157,372

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this unaudited interim financial report.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	Cumulative Quarter	
	Unaudited 30.04.2023 RM'000	Audited 30.04.2022 RM'000
Cash flows from operating activities		
Profit before tax	37,147	21,295
Adjustments for:		
Bad debts written off	633	39
Depreciation of property, plant and equipment	1,985	1,874
Depreciation of right-of-use assets	689	816
(Gain)/Loss on disposal of property, plant and equipment	(296)	30
Gain on early termination on leases	-	(22)
Impairment gain of financial assets, net	-	(246)
Interest expenses	3,335	2,661
Interest income	(676)	(218)
Property, plant and equipment written off	54	-
Rent concessions	(20)	(76)
Unrealised gain on foreign exchange	(410)	(143)
Operating profit before changes in working capital	42,441	26,010
Changes in working capital:		
Inventories	4,017	(3,462)
Receivables	(86,043)	(3,518)
Contract liabilities	-	(120)
Payables	(1,264)	8,494
Bankers' acceptance	30,007	(3,703)
Invoice financing	(10)	(8)
Revolving financing	35	(249)
Cash (used in)/generated from operations	(10,817)	23,444
Interest paid	(2,256)	(1,610)
Tax paid	(524)	(1,067)
Net cash (used in)/ from operating activities	(13,597)	20,767
Cash flows from investing activities		
Interest received	259	*
Purchase of property, plant and equipment	(738)	(239)
Purchase of right-of-use assets	-	(160)
Proceeds from disposal of property, plant and equipment	296	7
Net cash used in investing activities	(183)	(392)
Cash flows from financing activities		
Interest paid	(854)	(938)
Interest received	417	218
Repayment of term loans	(1,880)	(2,286)
Repayment of lease liabilities	(1,408)	(702)
Placement of fixed deposits pledged	(16,130)	(1,718)
Withdrawal of fixed deposit pledged	-	2,376
Proceeds from issuance of shares, net	47,567	-
Net cash from/(used in) financing activities	27,712	(3,050)



UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D) ⁽¹⁾

	Cumulative Quarter	
	Unaudited 30.04.2023 RM'000	Audited 30.04.2022 RM'000
Net increase in cash and cash equivalents	13,932	17,325
Cash and cash equivalents at the beginning of the financial year	43,687	26,366
Effect of foreign exchange difference	(263)	(4)
Cash and cash equivalents at the end of the financial year	57,356	43,687

* Less than RM1,000.

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this unaudited interim financial report.

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A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

A1. Basis of Preparation

This unaudited interim financial report of PT Resources Holdings Berhad (“**Company**”) and its subsidiaries (“**Group**”) are unaudited and has been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards (“**MFRSs**”) 134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

This unaudited interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus and the accompanying notes attached to this unaudited interim financial report.

A2. Significant Accounting Policies

The accounting policies adopted for this unaudited interim financial report are consistent with those adopted for the Accountants’ Report as disclosed in the Prospectus except for the adoption of the following amendments/improvements to MFRSs that are mandatory for the Group for the financial year beginning 1 May 2022:

Amendments to MFRS 3	Business combinations: Reference to the conceptual framework
Amendments to MFRS 116	Property, plant and equipment: Proceeds before intended use
Amendments to MFRS 137	Provision, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract
Annual improvements to MFRS standard 2018 – 2020	

The adoption of these amendments/improvements to MFRSs did not have any material impact on this unaudited interim financial report of the Group.

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board but are not yet affective for the current financial year:

MFRSs and Amendments to MFRSs effective for the financial period beginning on or after 1 January 2023:

MFRS 17*	Insurance contracts
Amendments to MFRS 17*	Insurance contracts
Amendments to MFRS 17*	Insurance contracts: Initial application of MFRS 17 and MFRS 9 – Comparative information
Amendments to MFRS 4*	Insurance contracts: Extension of the temporary exemption from applying MFRS 9
Amendments to MFRS 101	Presentation of financial statements: Disclosure of accounting policies
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



A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONT'D)

A2. Significant Accounting Policies (Cont'd)

MFRSs and Amendments to MFRSs effective for the financial period beginning on or after 1 January 2024:

Amendments to MFRS 16	Leases: Lease liability in a sale and leaseback
Amendments to MFRS 101	Presentation of financial statements: Non-current liabilities with covenants
Amendments to MFRS 101	Presentation of financial statements: Classification of liabilities as current or non-current

Amendments to MFRSs – Effective date deferred indefinitely:

Amendments to MFRS 10 and MFRS 128*	Consolidated financial statements and investments in associate and joint ventures – Sale or contribution of assets between an investor and its associate or joint venture
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* Not applicable to the Group's operations

The initial application of the above accounting standards, amendments are not expected to have any material financial impact to the financial statements of the Group.

A3. Auditors' Report on Preceding Annual Financial Statements

The audited financial statements of the Group for the financial year ended 30 April 2022 was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's performance is subject to seasonal demand, whereby demand is higher prior to the commencement and during festive seasons such as Chinese New Year, Hari Raya, Deepavali and Christmas. In addition, the Group's business in the East Coast region of Peninsular Malaysia is also affected by the monsoon season especially when floods occur.

A5. Items or Incidence of an Unusual Nature

There were no unusual items affecting the assets, liabilities, equity, net income and cash flows of the Group during the current quarter and financial year-to-date ("YTD").

A6. Material Changes in Estimates

There were no changes in estimates that have a material effect on the Group for the current quarter and YTD.

A7. Debt and Equity Securities

The Company issued 135,000,000 new ordinary shares at an issue price of RM0.36 in conjunction with its listing on the ACE Market of Bursa Securities ("IPO"). The entire enlarged issued share capital of the Company of RM68.6 million comprising 535,020,000 ordinary shares were listed on the ACE Market of Bursa Securities on 27 September 2022.

Save as disclosed above, there were no other issuance and repayment of debt and equity securities, share buy-backs, share cancellation and resale of treasury shares during the current quarter and YTD.



A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONT'D)

A8. Dividend Paid

There was no dividend paid for the current quarter and YTD.

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A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONT'D)
A9. Segmental Reporting
Revenue by business segments

The Group is principally involved in the processing and trading of frozen seafood products, and retail trading of other products. The Group's revenue by business segments for the financial period ended 30 April 2023 is as follows:

Individual Quarter	Processing and trading of frozen seafood products RM'000	Trading of other products RM'000	Eliminations RM'000	Total RM'000
Unaudited				
Revenue:				
Revenue from external customers	139,413	7,099	-	146,512
Inter-segment revenue	699	2,551	(3,250)	-
	<u>140,112</u>	<u>9,650</u>	<u>(3,250)</u>	<u>146,512</u>

The Group's revenue by business segments for the financial period ended 30 April 2022 is as follows:

Individual Quarter	Processing and trading of frozen seafood products RM'000	Trading of other products RM'000	Eliminations RM'000	Total RM'000
Unaudited				
Revenue:				
Revenue from external customers	62,880	10,882	-	73,762
Inter-segment revenue	11,320	2,507	(13,827)	-
	<u>74,200</u>	<u>13,389</u>	<u>(13,827)</u>	<u>73,762</u>


A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONT'D)
A9. Segmental Reporting (Cont'd)
Revenue by business segments (Cont'd)

The Group's segmental revenue by business segments for the financial year ended 30 April 2023 is as follows:

Cumulative Quarter	Processing and trading of frozen seafood products	Trading of other product	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000
Unaudited Revenue:				
Revenue from external customers	471,873	30,732	-	502,605
Inter-segment revenue	21,486	10,572	(32,058)	-
	493,359	41,304	(32,058)	502,605

The Group's segmental revenue by business segments for the financial year ended 30 April 2022 is as follows:

Cumulative Quarter	Processing and trading of frozen seafood products	Trading of other product	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000
Unaudited Revenue:				
Revenue from external customers	321,500	27,644	-	349,144
Inter-segment revenue	24,479	9,297	(33,776)	-
	345,979	36,941	(33,776)	349,144


A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONT'D)
A9. Segmental Reporting (Cont'd)
Revenue by geographical location

The Group sells its products locally in Malaysia and internationally. The Group's segmental revenue by geographical location is as follows:

	Individual Quarter		Cumulative Quarter	
	Unaudited 30.04.2023 RM'000	Unaudited 30.04.2022 RM'000	Unaudited 30.04.2023 RM'000	Unaudited 30.04.2022 RM'000
Malaysia	54,846	44,705	260,814	149,395
Overseas				
Saudi Arabia	1,608	6,028	10,373	42,729
China	89,496	23,029	229,805	154,339
Others ⁽¹⁾	562	-	1,613	2,681
	<u>91,666</u>	<u>29,057</u>	<u>241,791</u>	<u>199,749</u>
Total	<u>146,512</u>	<u>73,762</u>	<u>502,605</u>	<u>349,144</u>

Note:

(1) Comprise Indonesia, Singapore and the United Arab Emirates.

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A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONT'D)

A10. Material Events Subsequent to the End of the Current Quarter

There were no significant events subsequent to the end of the current quarter which will materially affect the earnings of the Group.

A11. Changes in the Composition of the Group

Save as disclosed below, there were no changes in the composition of the Group during the current quarter and YTD:

- (i) On 18 January 2023, the Company incorporated a wholly-owned subsidiary, More Distribution Sdn Bhd which is principally involved in the wholesale of meat, fish, fruits and vegetables;
- (ii) On 24 March 2023, the Company incorporated a 95%-owned subsidiary domiciled in the Republic of Indonesia, PT MCI International Indonesia which is principally involved in the wholesale of fishery products, wholesale of processed fishery products and other wholesale of food and beverages; and
- (iii) On 12 April 2023, the Company incorporated a 95%-owned subsidiary domiciled in the Republic of Indonesia, PT Resources International Group which is principally involved in the wholesale of fishery products, wholesale of processed fishery products and other wholesale of food and beverages.

A12. Contingent Assets and Contingent Liabilities

There were no contingent assets and contingent liabilities as at the end of the reporting quarter.

A13. Capital Commitments

There were no capital commitments as at the end of the reporting quarter.

A14. Related Party Transactions

There were no related party transactions during the current quarter and YTD.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Performance Review

Comparison with the Corresponding Quarter (4QFY2023 vs 4QFY2022)

The Group's revenue increased by RM72.8 million or 98.6% to RM146.5 million in the 4QFY2023 as compared to the 4QFY2022, which was mainly attributable to the following:

- (i) an increase in domestic demand by RM10.1 million or 22.7% in the 4QFY2023 as compared to the 4QFY2022 mainly as a result of the positive outlook upon transition to the COVID-19 endemic phase by the Malaysian Government effective 1 April 2022. The opening of 2 additional "MO Foodmart™" outlets located in Kuantan through a licensing business model in the 4QFY2023 also contributed to the increase in domestic demand; and
- (ii) an increase in overseas demand by RM62.5 million or 215.1% in the 4QFY2023 as compared to the 4QFY2022, which was mainly attributable to an increase in orders by existing customers in China following the gradual re-opening of China's borders.

The increase in the Group's revenue translated to an increase in gross profit ("GP") by RM13.4 million or 180.4% to RM20.8 million in the 4QFY2023 as compared to the 4QFY2022. In addition, the Group's GP margin ("GPM") rose by 4.2 percentage point to 14.2% in the 4QFY2023 as compared to 10.0% in the 4QFY2022. This was mainly due to the Group being able to secure its supplies at competitive pricing through bulk purchasing.

The Group's administrative expenses decreased by RM3.8 million or 73.8% to RM1.4 million in the 4QFY2023 as compared to the 4QFY2022, which was mainly due to the following:

- (i) a decrease in staff costs by RM1.5 million mainly as a result of a reversal of bonus accruals mainly attributable to a reduction in staff headcount;
- (ii) a decrease in carriage outwards by RM1.3 million mainly as a result of lower freight costs as global shipping rates are gradually returning to pre-COVID-19 levels; and
- (iii) a decrease in COVID-19 related expenses by RM1.0 million mainly as a result of reduction in cargo sanitisation for export purposes following the easing of COVID-19 measures.

The increase in the Group's revenue contributed to an increase in the Group's overall profitability which was reflected in the Group's profit before tax ("PBT") of RM18.9 million as compared to RM4.2 million in the 4QFY2022. The Group's PBT margin also increased by 7.0 percentage point to 12.9% in the 4QFY2023 as compared to the 4QFY2022.

Comparison with the Corresponding Financial Period (YTD FY2023 vs YTD FY2022)

The Group's revenue increased by RM153.5 million or 44.0% to RM502.6 million in the YTD FY2023 as compared to the YTD FY2022, which was mainly due to the following:

- (i) an increase in domestic demand by RM111.4 million or 74.6% in the YTD FY2023 as compared to the YTD FY2022 mainly as a result of the positive outlook upon transition to the COVID-19 endemic phase by the Malaysian Government effective 1 April 2022. The opening of 2 additional "MO Foodmart™" outlets located in Kuantan through a licensing business model in the 4QFY2023 also contributed to the increase in domestic demand; and



B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Performance Review (Cont'd)

Comparison with the Corresponding Financial Period (YTD FY2023 vs YTD FY2022) (Cont'd)

- (ii) an increase in overseas demand by RM42.2 million or 21.0% in the YTD FY2023 as compared to the YTD FY2022, which was mainly attributable to an increase in orders from customers in China in the YTD FY2023 as compared to the YTD FY2022 following the gradual re-opening of China's borders.

The increase in the Group's revenue translated to an increase in GP by RM24.5 million or 63.3% to RM63.1 million in the YTD FY2023 as compared to the YTD FY2022. In addition, the Group recorded an improved GPM of 12.5% in the YTD FY2023, which was 1.4 percentage point higher as compared to the YTD FY2022. This was mainly due to the Group being able to secure its supplies at competitive pricing through bulk purchasing in 3QFY2023 and 4QFY2023.

The Group's administrative expenses increased by RM5.8 million or 31.8% to RM24.0 million in the YTD FY2023 as compared to the YTD FY2022, which was mainly due to the following:

- (i) an increase in advertising and marketing expenses of RM1.0 million mainly as a result of the Group's participation in international seafood exhibitions following the easing of travel restrictions; and
- (ii) an increase in carriage outwards by RM4.0 million mainly as a result of higher sales recorded in the YTD FY2023.

The increase in the Group's revenue contributed to an increase in the Group's overall profitability which was reflected in the Group's PBT of RM37.1 million as compared to RM21.3 million in the YTD FY2022. The Group recorded a PBT margin of 7.4% in the YTD FY2023, which was 1.3 percentage point higher as compared to the YTD FY2022.

Comparison with the Immediate Preceding Quarter (4QFY2023 vs 3QFY2023)

The Group's revenue increased by RM31.1 million or 26.9% to RM146.5 million in the 4QFY2023 as compared to the 3QFY2023. This was mainly due to an increase in overseas demand by RM33.7 million or 58.2% in the 4QFY2023 as compared to the 3QFY2023, which was mainly attributable to an increase in orders from customers in China in the 4QFY2023 as compared to the 3QFY2023 following the gradual re-opening of China's borders. The increase in overseas demand was partially offset by a decrease in domestic demand by RM2.6 million or 4.6% in the 4QFY2023 as compared to the 3QFY2022, which was mainly due to lower traffic at the Group's outlets due to floods in the East Coast region of Peninsular Malaysia in February and March 2023.

The increase in the Group's revenue translated to an increase in GP by RM5.5 million or 35.9% to RM20.8 million. The Group also recorded a higher GPM of 14.2% in the 4QFY2023, which was 1.0 percentage point higher as compared to the 3QFY2023. This was mainly due to the Group being able to secure its supplies at competitive pricing through bulk purchasing.



B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B2. Performance Review (Cont'd)

Comparison with the Immediate Preceding Quarter (4QFY2023 vs 3QFY2023) (Cont'd)

The Group's administrative expenses decreased by RM11.2 million or 89.0% to RM1.4 million in the 4QFY2023 as compared to the 3QFY2023, which was mainly due to the following:

- (i) absence of an unrealised loss on foreign exchange of RM5.9 million previously recorded in the 3QFY2023 following the weakening of the RM against the United States Dollar in the 4QFY2023, which had thereby resulted in the Group recognising an unrealised gain on foreign exchange of RM5.0 million in the 4QFY2023;
- (ii) a decrease in staff costs by RM2.6 million as a result of a reversal of bonus accruals mainly attributable to a reduction in staff headcount; and
- (iii) a decrease in carriage outwards by RM1.1 million mainly as a result of lower freight costs as global shipping rates are gradually returning to pre-COVID-19 levels, especially with the reopening of China borders during January 2023.

The increase in the Group's revenue as well as the decrease in the Group's administrative expenses contributed to an increase in the Group's overall profitability which was reflected in the Group's PBT of RM18.9 million as compared to RM2.1 million in the 3QFY2023. The Group's PBT margin also increased by 11.1 percentage point to 12.9% as compared to the 3QFY2023.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B3. Group's Prospects

While the global market outlook shows sign of recession, the Group expects the Malaysian economy to sustain its momentum on the back of various policies support and continued recovery in various sectors. Thus, the Group is optimistic on the long-term growth for the demand of its products domestically and is committed to growing the domestic demand for its products by strengthening access to channel partners and establishing more "MO Foodmart™" outlets, prioritising the East Coast region of Peninsular of Malaysia. Pursuant thereto, 2 additional "MO Foodmart™" outlets located in Kuantan were opened through a licensing business model in the 4QFY2023.

On the international markets, the Group will look to further increase supply to China in view of easing of global COVID-19 export-import requirements. In addition, to further grow the demand of its products both domestically and internationally, the Group intends to amongst others, increase the variety of its product offerings by sourcing supplies in the Republic of Indonesia through its newly incorporated subsidiaries, namely PT MCI International Indonesia and PT Resources International Group, as mentioned in Section A11 above.

In the meantime, the Group will continue to monitor the latest developments in the market and will take steps to mitigate any risks to its operations or financial performance.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current quarter and YTD.

B5. Tax Expense

	Individual Quarter		Cumulative Quarter	
	Unaudited 30.04.2023 RM'000	Unaudited 30.04.2022 RM'000	Unaudited 30.04.2023 RM'000	Unaudited 30.04.2022 RM'000
Income tax	248	93	673	183
Effective tax rate (%)	13.1	2.2	1.8	0.9
Statutory tax rate (%)	24.0	24.0	24.0	24.0

The Group's effective tax rates were lower than the statutory tax rate of 24%, which was mainly attributable to the income tax exemption granted by the Malaysian Investment Development Authority to one of the Group's subsidiary, MHC Coldstorage Sdn Bhd ("MHC"), for a period of 10 years commencing from the year of assessment 2018. This has allowed MHC to enjoy 100% income tax exemption for income earned from processing of frozen seafood products during the said period, which is conditional upon MHC operating in the KIFPP Processing Facility.



B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

The higher effective tax rate recorded for the current quarter and YTD was mainly due to the higher PBT generated by the Group's taxable operating subsidiaries.

B6. Status of Corporate Proposals

Save as disclosed below, there are no corporate proposals announced by the Company but not completed as at the date of this unaudited interim financial report:

- (i) On 26 February 2023, the Company had entered into a Memorandum of Understanding ("**MOU**") with Ocean Exchange (Fujian) Foreign Trade Services Co Ltd ("**Ocean Exchange**") to establish cooperation between the Company and Ocean Exchange for the joint development of the Malaysian East Coast International Supply Chain Intelligent Park in Fujian province, China ("**the Project**").

The Project, which is intended to drive the development of food and light industries supply-chain between Malaysia and Fuzhou with the aim of rapidly achieving currency internationalisation between the two countries, will encompass amongst others, integrated cold chain facilities to facilitate cross-border supply of consumer food. In addition, the Project also aims to boost the trade between the Malaysian seafood wholesale market and China through digital transformation.

As at the date of this report, the Board of Directors of the Company ("**Board**") wishes to inform that there is no material development on the status of the MoU.

B7. Use of Proceeds Raised from Corporate Proposals

The Company had raised gross proceeds of RM48.6 million from its IPO. As at 30 April 2023, the utilisation of the IPO proceeds are as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Intended timeframe for utilisation from the date of listing
Capital expenditure for new cold storage warehouse	17,635	-	17,635	Within 36 months
Working capital	27,175	27,175	-	Within 12 months
Estimated listing expenses	3,790	3,790	-	Within 3 months
Total	48,600	30,965	17,635	

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B8. Borrowings

The details of the Group's borrowings are as follows:

	Unaudited 30.04.2023 RM'000	Audited 30.04.2022 RM'000
Non-current		
<i>Secured</i>		
Term loans	9,358	10,965
	<u>9,358</u>	<u>10,965</u>
Current		
<i>Secured</i>		
Bank overdrafts	2,639	1,840
Term loans	2,197	2,470
Bankers' acceptance	56,688	26,378
Invoice financing	501	511
Revolving financing	4,458	4,423
<i>Unsecured</i>		
Bankers' acceptance	-	303
	<u>66,483</u>	<u>35,925</u>
Total	<u>75,841</u>	<u>46,890</u>

All the borrowings are denominated in Ringgit Malaysia.

B9. Material Litigation

As at the date of this report, the Group is not engaged in any litigation which has a material effect on the financial position or business of the Group.

B10. Dividend

No dividend was declared or recommended for payment by the Board for the current quarter and YTD.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B11. Basic and Diluted EPS

The basic and diluted EPS for the current quarter and YTD are computed as follows:

	Individual Quarter		Cumulative Quarter	
	Unaudited 30.04.2023	Unaudited 30.04.2022	Unaudited 30.04.2023	Audited 30.04.2022
Profit attributable to owners of the Company (RM'000)	18,641	4,227	36,474	21,112
Weighted average number of shares ('000)	535,020	400,020	479,541	400,020
Basic/Diluted EPS (sen) ⁽³⁾	3.48 ⁽¹⁾	1.06 ⁽²⁾	7.61 ⁽¹⁾	5.28 ⁽²⁾

Notes:

- (1) Computed based on the profit attributable to the owners of the Company divided by the weighted average number of ordinary shares of 535,020,000 and 479,540,548 for the individual and cumulative quarters ended 30 April 2023 respectively.
- (2) Computed based on the profit attributable to the owners of the Company divided by the weighted average number of ordinary shares of 400,020,000 for the individual and cumulative quarters ended 30 April 2022.
- (3) The diluted EPS for the current and cumulative quarters are equivalent to the basic EPS as the Company does not have any dilutive instruments for the financial year ended 30 April 2022 and 30 April 2023.

B12. Notes to the Condensed Consolidated Statement of Profit and Other Comprehensive Income

Profit for the period was derived after taking into consideration of the following:

	Individual Quarter		Cumulative Quarter	
	Unaudited 30.04.2023 RM'000	Unaudited 30.04.2022 RM'000	Unaudited 30.04.2023 RM'000	Audited 30.04.2022 RM'000
Interest income	233	59	676	218
Interest expenses	(1,117)	(749)	(3,335)	(2,661)
Bad debts written off	(633)	-	(633)	(39)
Depreciation of property, plant and equipment	(512)	(469)	(1,985)	(1,874)
Depreciation of right-of-use assets	(146)	(189)	(689)	(816)
Directors' fees	(42)	-	(112)	-
Gain/(Loss) on disposal of property, plant and equipment	-	(30)	296	(30)
Gain on early termination on leases	-	22	-	22
Impairment gain of financial assets, net	-	58	-	246
Listing expenses	-	(200)	(1,905)	(797)
Property, plant and equipment written off	(54)	-	(54)	-
Rent concessions	-	40	20	76
Realised (loss)/gain on foreign exchange	(1,570)	2,787	(340)	2,787
Unrealised gain on foreign exchange	5,010	143	410	143