

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

	Current year quarter 30/06/2023 RM'000	Preceding year corresponding quarter 30/06/2022 RM'000	Current year to-date 30/06/2023 RM'000	Preceding year corresponding period 30/06/2022 RM'000
<b>Revenue from contracts with customers</b>	13,698	40,810	22,117	73,733
Cost of sales	<u>(14,352)</u>	<u>(26,165)</u>	<u>(24,182)</u>	<u>(48,759)</u>
<b>Gross (loss)/ profit</b>	(654)	14,645	(2,065)	24,974
<b>Other items of income</b>				
Interest income	76	94	169	139
Other income	1,082	2,264	2,168	3,315
<b>Other items of expense</b>				
Administrative expenses	(1,085)	(1,663)	(2,914)	(3,346)
Other expenses	<u>(48)</u>	<u>(1,329)</u>	<u>(41)</u>	<u>(1,415)</u>
<b>(Loss)/ Profit before tax</b>	(629)	14,011	(2,683)	23,667
Income tax	<u>435</u>	<u>(3,406)</u>	<u>1,271</u>	<u>(5,663)</u>
<b>(Loss)/ Profit after tax</b>	<u>(194)</u>	<u>10,605</u>	<u>(1,412)</u>	<u>18,004</u>
<b>(Loss)/ Profit after tax attributable to:</b>				
Owners of the Company	<u>(194)</u>	<u>10,605</u>	<u>(1,412)</u>	<u>18,004</u>
<b>(Loss)/Earnings per share attributable to owners of the Company:</b>				
Basic (sen)	<u>(0.09)</u>	<u>5.23</u>	<u>(0.65)</u>	<u>8.96</u>
Diluted (sen)	<u>(0.09)</u>	<u>5.15</u>	<u>(0.65)</u>	<u>8.77</u>

*This Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2022 and accompanying explanatory notes attached to these interim financial statements.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

	As at 30/06/2023 RM'000	As at 31/12/2022 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	23,880	22,994
Investment properties	2,010	2,051
Intangible asset	149	149
Deferred tax assets	-	19
	<u>26,039</u>	<u>25,213</u>
<b>Current assets</b>		
Inventories	51,409	40,981
Trade and other receivables	6,118	4,850
Other current assets	2,025	2,285
Tax recoverable	3,206	1
Other current financial assets	83,195	96,239
Cash and bank balances	19,890	27,864
	<u>165,843</u>	<u>172,220</u>
<b>Total assets</b>	<u>191,882</u>	<u>197,433</u>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	3,828	3,780
Contract liabilities	2,047	86
Tax payable	-	432
	<u>5,875</u>	<u>4,298</u>
<b>Net current assets</b>	<u>159,968</u>	<u>167,922</u>
<b>Non-current liability</b>		
Deferred tax liabilities	1,447	2,582
<b>Total liabilities</b>	<u>7,322</u>	<u>6,880</u>
<b>Net assets</b>	<u>184,560</u>	<u>190,553</u>
<b>Equity attributable to owners of the Company</b>		
Share capital	92,652	91,854
Treasury shares	(7,387)	(7,229)
Employee share option reserve	-	853
Retained earnings	99,295	105,075
<b>Total equity</b>	<u>184,560</u>	<u>190,553</u>
<b>Total equity and liabilities</b>	<u>191,882</u>	<u>197,433</u>
<b>Net assets per share (RM)</b>	<u>0.84</u>	<u>0.88</u>

*This Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2022 and accompanying explanatory notes attached to these interim financial statements.*

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2023**

	<b>Current year to-date 30/06/2023 RM'000</b>	<b>Preceding year corresponding period 30/06/2022 RM'000</b>
<b>Operating activities</b>		
(Loss)/ Profit before tax	(2,683)	23,667
<b>Adjustments for:</b>		
Depreciation of investment properties	41	41
Depreciation of property, plant and equipment	1,534	1,644
Advances written off	27	-
Inventory written down	298	-
Gain on disposal of property, plant and equipment	(73)	(19)
(Forfeiture)/ Grant of equity-settled share options	(703)	47
Interest income	(169)	(139)
Net fair value loss on derivatives - unrealised	-	679
Unrealised foreign exchange loss/ (gain)	18	(144)
<b>Operating cash flows before changes in working capital</b>	<u>(1,710)</u>	<u>25,776</u>
Changes in inventories	(10,726)	(14,020)
Changes in trade and other receivables	(1,296)	31,832
Changes in other current assets	260	4,775
Changes in trade and other payables	48	(1,321)
Changes in contract liabilities	1,961	(2,712)
<b>Cash flows (used in)/ generated from operations</b>	<u>(11,463)</u>	<u>44,330</u>
Interest received	163	136
Income tax refunded	1,176	-
Income tax paid	(4,658)	(764)
<b>Net cash (used in)/ generated from operating activities</b>	<u>(14,782)</u>	<u>43,702</u>
<b>Investing activities</b>		
Interest received	7	7
Proceeds from disposal of property, plant and equipment	92	19
Purchase of property, plant and equipment	(2,439)	(1,222)
<b>Net cash used in investing activities</b>	<u>(2,340)</u>	<u>(1,196)</u>
<b>Financing activities</b>		
Dividend paid	(4,368)	(3,020)
Purchase of treasury shares	(158)	(1,525)
Proceeds from exercise of employee share options	648	5,331
<b>Net cash (used in)/ generated from financing activities</b>	<u>(3,878)</u>	<u>786</u>

*This Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2022 and accompanying explanatory notes attached to these interim financial statements.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
 FOR THE PERIOD ENDED 30 JUNE 2023**

	<b>Current year to-date 30/06/2023 RM'000</b>	<b>Preceding year corresponding period 30/06/2022 RM'000</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	(21,000)	43,292
Effect of exchange rate changes on cash and cash equivalents	(18)	144
<b>Cash and cash equivalents at 1 January</b>	<u>123,717</u>	<u>77,884</u>
<b>Cash and cash equivalents at 30 June</b>	<u>102,699</u>	<u>121,320</u>
<b>Analysis of cash and cash equivalents</b>		
Cash and bank balances	19,890	67,593
Investments in money market funds	83,195	54,113
Less: Deposits with maturity of more than three months	<u>(386)</u>	<u>(386)</u>
<b>Cash and cash equivalents</b>	<u>102,699</u>	<u>121,320</u>

*This Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2022 and accompanying explanatory notes attached to these interim financial statements.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE PERIOD ENDED 30 JUNE 2023**

	Equity, total RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Treasury shares RM'000	Employee share option reserve RM'000	Retained earnings RM'000
Opening balance at 1 January 2022	169,114	169,114	57,691	(9,378)	3,715	117,086
Profit after tax	18,004	18,004	-	-	-	18,004
Dividends on ordinary shares	(6,096)	(6,096)	-	-	-	(6,096)
Exercise of employee share options	5,331	5,331	7,134	-	(1,803)	-
Purchase of treasury shares	(1,525)	(1,525)	-	(1,525)	-	-
Grant of equity-settled share options	47	47	-	-	47	-
Closing balance at 30 June 2022	184,875	184,875	64,825	(10,903)	1,959	128,994
Opening balance at 1 January 2023	190,553	190,553	91,854	(7,229)	853	105,075
Loss after tax	(1,412)	(1,412)	-	-	-	(1,412)
Dividends on ordinary shares	(4,368)	(4,368)	-	-	-	(4,368)
Purchase of treasury shares	(158)	(158)	-	(158)	-	-
Forfeiture of equity-settled share options	(703)	(703)	-	-	(703)	-
Exercise of employee share options	648	648	798	-	(150)	-
Closing balance at 30 June 2023	184,560	184,560	92,652	(7,387)	-	99,295

*This Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2021 and accompanying explanatory notes attached to these interim financial statements.*

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2023

**PART A -  
 EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM  
 FINANCIAL REPORTING**

**A1. Basis of preparation**

These condensed consolidated interim financial statements, for the period ended 30 June 2023, have been prepared in accordance with MFRS134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The explanatory notes attached to the unaudited interim financial report provide an explanation of the event and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the year ended 31 December 2022. They do not include all the information required for full annual financial statements and should be read in conjunction with the Group’s financial statements for the financial year ended 31 December 2022.

**A2. Significant accounting policies**

The significant accounting policies adopted by the Group in these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2022 of the Group, except for the adoption of the following new MFRSs, Amendments to MFRSs and Interpretations effective for financial period beginning on or after 1 January 2023:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above MFRSs, Amendments to MFRSs and Interpretations did not have any material financial impact on these condensed consolidated financial statements.

The following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

**MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2024**

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 & 7	Supplier Finance Arrangements

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 JUNE 2023

**A2. Significant accounting policies (continued)**

**MFRSs, Interpretations and Amendments which effective for a date yet to be confirmed**

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between Investors and its Associate or Joint Venture
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The directors anticipate that the abovementioned MFRSs, Interpretations and Amendments will have no material impact on the financial statements of the Group in the period of initial application.

**A3. Seasonal or cyclical factors**

The Group's business operation and performance are not affected materially by any seasonal or cyclical factors for the financial quarter under review.

**A4. Items of unusual nature**

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flow in the quarterly financial statements.

**A5. Material changes in estimates**

There were no changes in estimates of amounts reported in either the prior interim period of the current financial period or prior financial years that have had a material effect on the results during the current quarter and financial period-to-date.

**A6. Changes in debt and equity securities**

During the financial period ended 30 June 2023, the Company issued 1,284,000 units of ordinary shares for cash pursuant to the Company's Employee Share Option Scheme ("ESOS") at exercise price of RM0.505 per ordinary share. Details of the issued and paid-up capital of the Company as at 30 June 2023 are as follows:

	<b>No. of shares</b>	<b>RM'000</b>
As at 1 January 2023	229,136,000	91,854
Ordinary shares issued pursuant to ESOS	1,284,000	798
As at 30 June 2023	230,420,000	92,652

**Purchase of shares pursuant to Section 127 of the Companies Act 2016**

During the period ended 30 June 2023, the Company had acquired 257,700 units of ordinary shares from the open market for a cash consideration of RM0.16 million. The repurchased shares are held as treasury shares in accordance with the requirements of Section 127(4) of the Companies Act 2016.

Other than the above, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
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**A7. Dividend paid**

An interim tax-exempt dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2022 amounting to RM4.37 million was paid on 22 March 2023.

**A8. Segment reporting**

The Group is organised into business units based on their products and services, and has two reportable operating segments as follows:-

- i. Manufacturing segment - manufacturing and sale of plywood, veneer and laminated veneer lumber (LVL).
- ii. Electricity segment - generation and sale of electricity.

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segment:

	Manufacturing RM'000	Electricity RM'000	Adjustment/ Elimination RM'000	Total RM'000
<b><u>Period ended 30 June 2023</u></b>				
<b>Revenue</b>				
External sales	22,117	-	-	22,117
Inter-segment sales	-	1,010	(1,010)	-
	<u>22,117</u>	<u>1,010</u>	<u>(1,010)</u>	<u>22,117</u>
<b>Results</b>				
Segment (loss)/ profit	<u>(4,446)</u>	<u>143</u>	<u>1,620</u>	<u>(2,683)</u>
<b>Segment assets as at 30 June 2023</b>	<u>99,765</u>	<u>3,706</u>	<u>88,411</u>	<u>191,882</u>
<b>Segment liabilities as at 30 June 2023</b>	<u>5,832</u>	<u>43</u>	<u>1,447</u>	<u>7,322</u>
<b><u>Period ended 30 June 2022</u></b>				
<b>Revenue</b>				
External sales	73,733	-	-	73,733
Inter-segment sales	-	1,190	(1,190)	-
	<u>73,733</u>	<u>1,190</u>	<u>(1,190)</u>	<u>73,733</u>
<b>Results</b>				
Segment profit	<u>23,015</u>	<u>176</u>	<u>476</u>	<u>23,667</u>
<b>Segment assets as at 31 December 2022</b>	<u>96,024</u>	<u>3,099</u>	<u>98,310</u>	<u>197,433</u>
<b>Segment liabilities as at 31 December 2022</b>	<u>3,799</u>	<u>67</u>	<u>3,014</u>	<u>6,880</u>



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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 JUNE 2023

**A8. Segment reporting (continued)**

The following items are added to segment loss or profit to arrive at total loss or profit before tax reported in the unaudited condensed consolidated statement of comprehensive income:

	<b>Current year to-date 30/06/2023</b>	<b>Preceding year corresponding period 30/06/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income from fixed deposit	6	3
Distribution income from money market funds	103	73
Net gain on money market funds	1,487	378
Rental income from investment properties	132	132
Depreciation of investment properties	(41)	(41)
Direct operating expenses arising from investment properties	(67)	(69)
	<b>1,620</b>	<b>476</b>

The following items are added to segment assets to arrive at total assets reported in the unaudited condensed consolidated statement of financial position:

	<b>As at 30/06/2023</b>	<b>As at 31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Money market funds	83,195	96,239
Investment properties	2,010	2,051
Deferred tax assets	-	19
Tax recoverable	3,206	1
	<b>88,411</b>	<b>98,310</b>

The following item is added to segment liabilities to arrive at total liabilities reported in the unaudited condensed consolidated statement of financial position:

	<b>As at 30/06/2023</b>	<b>As at 31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Tax payable	-	432
Deferred tax liabilities	1,447	2,582
	<b>1,447</b>	<b>3,014</b>

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**A9. Valuation of property, plant and equipment**

There was no valuation of the property, plant and equipment in the current financial quarter.

**A10. Change in contingent liabilities or contingent assets**

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

**A11. Capital commitments**

The following table provides information on the capital commitments subsequent to the end of the current financial quarter:

	As at 30/06/2023	As at 31/12/2022
	RM'000	RM'000
Approved and contracted for property, plant and equipment	1,610	807

**A12. Material events subsequent to the reporting period**

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

**A13. Changes in composition of the Group**

There were no changes in the composition of the Group for the current financial quarter, except the dissolution of a subsidiary, Focus Layo Flooring Sdn. Bhd..

**A14. Related party transactions**

The following table provides information on the transactions which have been entered into with related parties during the period ended 30 June 2023 and 30 June 2022 as well as the balances with the related parties as at 30 June 2023 and 31 December 2022:

	Transaction value for period ended		Balance outstanding as at	
	30/06/2023	30/06/2022	30/06/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
<u>Nature of transactions</u>				
Rental paid to a director	96	96	-	-

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2023

**PART B -  
 ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD  
 (PART A OF APPENDIX 9B)**

**B1. Review of performance of the Group**

**(a) Comparison of the current quarter against the corresponding quarter**

	<b>Current year quarter 30/06/2023</b>	<b>Preceding year corresponding quarter 30/06/2022</b>	<b>Changes</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	13,698	40,810	-66.4
Operating (loss)/ profit	(1,398)	13,773	-110.2
Non-operating income	769	238	223.1
(Loss)/ Profit before tax	(629)	14,011	-104.5
(Loss)/ Profit after tax	(194)	10,605	-101.8
(Loss)/ Profit attributable to owners of the parent	(194)	10,605	-101.8

For the second quarter ended 30 June 2023, revenue was RM13.70 million, a decrease of RM27.11 million, or 66% year-over-year. The Group had reported gross loss of RM0.65 million in current quarter under review. Gross margin on sale of goods was -6%, down from 40% a year earlier. The decline in revenue and sales margin compared to the prior year was primarily due to price deflation related to wood-based commodity markets, combined with lower sales volumes as a result of softening demand for plywood.

Cost of goods sold per m<sup>3</sup> was higher as compared to preceding year corresponding quarter due primarily to lower production volume. Production volume declined by approximately 36% year-over-year with RM0.68 million unallocated fixed production overhead expensed off in current quarter under review. In contrast, prior year quarter sales included sales of core veneer sheets which carry lower average cost per m<sup>3</sup>.

For the second quarter of year 2023, non-operating income was RM0.77 million, up 223% from a year earlier. The increase was due primarily to higher net gain generated from money market funds as a result of rates hike by the Bank Negara Malaysia since May 2022. Administrative expenses reduced by approximately 35% year-over-year due mainly to the reversal of ESOS reserve upon the expiry of the share options.

Our net loss after tax for current quarter amounted to approximately RM0.19 million, compared to profit after tax of RM10.61 million in the second quarter of year 2022.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
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**B1. Review of performance of the Group (Continued)**

**(b) Comparison of the current year to-date against the corresponding period**

	<b>Current year to-date 30/06/2023</b>	<b>Preceding year corresponding period 30/06/2022</b>	<b>Changes</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	22,117	73,733	-70.0
Operating (loss)/ profit	(4,303)	23,191	-118.6
Non-operating income	1,620	476	240.3
(Loss)/ Profit before tax	(2,683)	23,667	-111.3
(Loss)/ Profit after tax	(1,412)	18,004	-107.8
(Loss)/ Profit attributable to owners of the parent	(1,412)	18,004	-107.8

For the six-months ended 30 June 2023, revenue was RM22.12 million, a decrease of RM51.61 million, or 70%, over the prior year corresponding period. Gross margin on sale of goods was -11%, as compared to 40% profit margin in the first six months of year 2022. The decline in both revenue and sales margin compared to the preceding year corresponding period was attributable to the year over year price and volume decrease as a result of softening demand for plywood since the second half of year 2022.

Cost of goods sold per m3 was 18% higher year-over-year due primarily to lower production volume as demand for plywood is still weak. In the first six months of year 2023, RM1.55 million unallocated fixed production overhead was expensed off and RM0.30 million inventory was written down due to lower of cost or net realisable value. In contrast, ratio of core veneer sales in prior year period was higher which further reduced the average cost of goods sold in prior year.

Non-operating income was RM1.62 million for the six-months ended 30 June 2023, increased by RM1.14 million was due primarily to higher net gain generated from money market funds. Administrative expenses decreased by approximately RM0.44 million due mainly to the reversal of ESOS reserve but offset by the quality defects liability claimed by our customers.

For the period ended 30 June 2023, the Group reported loss after tax of RM1.41 million compared to profit after tax of RM18.00 a year earlier.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
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**B2. Comparison with immediate preceding quarter's results**

	<b>Current year quarter 30/06/2023</b>	<b>Immediate preceding quarter 31/03/2023</b>	<b>Changes</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	13,698	8,419	62.7
Operating loss	(1,398)	(2,905)	-51.9
Non-operating income	769	851	-9.6
Loss before tax	(629)	(2,054)	-69.4
Loss after tax	(194)	(1,218)	-84.1
Loss attributable to owners of the parent	(194)	(1,218)	-84.1

Revenue in current quarter amounted to RM13.70 million, increased by 63%, due primarily to slight improvement of market demand for plywood with sales volume grew by 44% quarter-over-quarter. Average selling price was higher as compared to immediate preceding quarter due to higher sales ratio for thin plywood which carried better selling price per m<sup>3</sup>. Gross margin narrowed to -6% from -18% reported in immediate preceding quarter. Improvement in gross margin also reflected through a better management by our production team, combined with the increase in production volume of approximately 21% which was in line with the recovery of plywood demand.

Non-operating income was RM0.77 million, reduced by 10% quarter-over-quarter due to lower return from money market funds. The decrease came from a lower balance in money market funds while higher distribution caused the Group to bear higher income tax in current quarter which reduced the rate of return. Administrative expenses in current quarter reduced by approximately 40% due principally to the reversal of ESOS reserve upon the expiry of the share options, lower quality defects claim from customers as well as lower registration and renewal expenses.

In current quarter under review, loss after tax in the current quarter declined further to approximately RM0.19 million from loss after tax of RM1.22 million reported in immediate preceding quarter.

**B3. Prospects for the remaining period of current financial year**

A healthy new-housing construction market combined with very low inventory levels have combined to increase demand for wood products in North America recently. We see some sign of increased demand for our plywood as well although selling price remained weak. The decline in RV wholesale shipments in 2023 is being driven by macroeconomic headwinds that are impacting consumer budgets and leading consumers to postpone or forgo large discretionary purchases. The sharpest portion of the decrease will end in the middle of 2023 with rate-of-change then beginning to rise in the second half of the year as inflation continues to ease and interest rates steady. Apart from managing our costs, the management will continue looking for more orders so we can increase our production volume progressively. In overall, we remain cautious with our performance in the remaining period of current financial year.

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 FOR THE SECOND QUARTER ENDED 30 JUNE 2023

**B4. Profit forecast or profit guarantee**

The Group did not issue any profit forecast or profit guarantee in the current quarter or in the prior financial year.

**B5. Income tax**

	Current year quarter 31/03/2023	Preceding year corresponding quarter 31/03/2022	Current year to-date 31/03/2023	Preceding year corresponding period 31/03/2022
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Income tax	-	3,558	-	5,868
- Over provision in prior years	-	-	(155)	-
	-	3,558	(155)	5,868
Deferred income tax:				
- Origination and reversal of temporary differences	(435)	(155)	(1,086)	(208)
- Over provision in prior years	-	3	(30)	3
	(435)	(152)	(1,116)	(205)
Total income tax	(435)	3,406	(1,271)	5,663

The effective tax rate for current quarter was lower than the statutory tax rate, principally due to certain income not subjected to income tax purposes. The effective tax rate for current year to-date was lower than the statutory tax rate, principally due to certain income not subjected to income tax purposes as well as the over provision in prior years recognised in the first quarter of year 2023.

**B6. Status of corporate proposals**

There were no corporate proposals announced or not completed by the Group as at the date of this report.

**B7. Borrowings**

The Group has no borrowings as at 30 June 2023.

**B8. Material litigations**

There were no material litigations since the financial year ended 31 December 2022 and up to the date of this report.

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**B9. Dividends**

No interim dividend has been declared during the quarter under review.

**B10. Auditors' report**

There was no qualification to the audited financial statements of the Company and its subsidiary for the financial year ended 31 December 2022.

**B11. Loss/ earnings per share**

Basic loss/ earnings per share is calculated by dividing the loss/ profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period. For diluted loss/ earnings per share calculation, the weighted average number of ordinary shares in issue was adjusted to assume that the maximum number of new ordinary shares have been issued pursuant to the share options granted under the Employees' Share Option Scheme ("ESOS"). The dilutive portion of the ordinary shares deemed issued pursuant to the ESOS are accounted for in the diluted loss/ earnings per share calculation. The ESOS will have a dilutive effect only when the average market price of ordinary shares of the Company during the period exceeds the exercise price of options granted.

	Current year quarter 30/06/2023	Preceding year corresponding quarter 30/06/2022	Current year to-date 30/06/2023	Preceding year corresponding period 30/06/2022
(Loss)/ Profit after tax, attributable to owners of the parent used in the computation of loss per share (RM'000)	(194)	10,605	(1,412)	18,004
Weighted average number of ordinary shares in issue ('000)	218,432	202,806	218,209	201,034
Effects of dilution:				
- Employee share options ('000)	-	3,082	-	4,180
Weighted average number of ordinary shares for diluted loss/ earnings per share computation ('000)	218,432	205,888	218,209	205,214
Basic (loss)/ earnings per share (sen)	(0.09)	5.23	(0.65)	8.96
Diluted (loss)/ earnings per share (sen)	(0.09)	5.15	(0.65)	8.77

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**B12. Loss/ Profit before tax**

The following amounts have been included in arriving at loss/ profit before tax:

	Current year quarter 30/06/2023	Preceding year corresponding quarter 30/06/2022	Current year to-date 30/06/2023	Preceding year corresponding period 30/06/2022
	RM'000	RM'000	RM'000	RM'000
Interest income	(76)	(94)	(169)	(139)
Distribution income from money market funds	(71)	(32)	(103)	(73)
Net gain on money market funds	(674)	(195)	(1,487)	(378)
Gain on disposal of property, plant and equipment	(65)	-	(73)	(19)
Bad debts recovered	-	(120)	(60)	(240)
Rental income	(66)	(68)	(132)	(139)
Advances written off	27	-	27	-
Inventory written down	15	-	298	-
Rental of office premises	48	48	96	96
Depreciation of property, plant and equipment	778	835	1,534	1,644
Depreciation of investment properties	20	20	41	41
Direct operating expenses arising from investment properties:				
- rental generating properties	25	36	67	69
Net fair value loss/ (gain) on derivatives:				
- realised	3	1,022	10	736
- unrealised	-	307	-	679
Net (gain)/ loss on foreign exchange:				
- realised	(159)	(1,653)	(228)	(2,052)
- unrealised	18	(114)	4	(144)