



MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

CONTENTS	PAGE
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	1
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	3
CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS	4
NOTES TO THE INTERIM FINANCIAL STATEMENTS	5 - 9
ADDITIONAL INFORMATION REQUIRED UNDER APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES LISTING REQUIREMENTS.	10 - 14

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>Current Year</u>	<u>Preceding Year</u>	<u>Current Year</u>	<u>Preceding</u>
	<u>Quarter</u>	<u>Corresponding</u>	<u>to date</u>	<u>Period</u>
	<u>Quarter</u>	<u>Quarter</u>	<u>Ended</u>	<u>Ended</u>
	<u>31/3/2021</u>	<u>31/3/2020</u>	<u>31/3/2021</u>	<u>31/3/2020</u>
	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>
Continuing Operations:				
Revenue	57,244	51,649	57,244	51,649
Cost of sales	(56,391)	(52,695)	(56,391)	(52,695)
Gross profit	853	(1,046)	853	(1,046)
Other operating income	3,544	2,486	3,544	2,486
Finance cost	(400)	(664)	(400)	(664)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	3,997	776	3,997	776
Income tax expense	(1,335)	(814)	(1,335)	(814)
Profit for the period from continuing operations	2,662	(38)	2,662	(38)
Loss from discontinued operation	-	-	-	-
Profit for the period	2,662	(38)	2,662	(38)
Other Comprehensive Income:				
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	2,662	(38)	2,662	(38)
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	2,397	142	2,397	142
- loss from discontinued operations	-	-	-	-
Non-Controlling Interest	265	(180)	265	(180)
Profit for the period	2,662	(38)	2,662	(38)
Total comprehensive income attributable to:				
Owners of the Parent	2,397	142	2,397	142
Non-Controlling Interest	265	(180)	265	(180)
	2,662	(38)	2,662	(38)
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	0.70	0.04	0.70	0.04

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31/3/2021 RM'000	Audited As at 31/12/2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	134,301	135,370
Investment properties	139,672	139,759
Right of use assets	19,759	20,183
Other investment	-	-
	293,732	295,312
Current Assets		
Inventories	96,568	99,830
Property development cost	9,073	8,996
Trade receivables	29,663	22,676
Other receivables	6,073	4,755
Tax recoverable	1,841	2,745
Short-term investments	14,266	14,402
Derivative financial assets	109	467
Fixed deposit with licensed banks	16,834	25,786
Cash and bank balances	27,433	20,440
	201,860	200,097
TOTAL ASSETS	495,592	495,409
EQUITY AND LIABILITIES		
Equity attributable to owner of the parents		
Share capital	201,188	201,188
Share capital-excess from resale of treasury shares	-	-
Share premium	-	-
Treasury shares	-	-
Reserves attributable to revenue	-	-
Other reserves	13,464	13,464
Retained earnings-profit/(loss)	162,615	160,218
	377,267	374,870
Non-controlling interest	39,059	39,283
Total Equity	416,326	414,153
Non-current liabilities		
Deferred tax liabilities	9,545	9,545
Lease liabilities	10,167	11,085
Loan and borrowings	8,720	8,773
	28,432	29,403
Current Liabilities		
Trade payables	11,299	13,215
Other payables	6,300	9,209
Provision for liabilities	2,106	2,106
Lease liabilities	6,868	6,892
Loan and borrowings	24,254	20,431
Derivative financial liabilities	-	-
Tax Payable	7	-
	50,834	51,853
Total Liabilities	79,266	81,256
TOTAL EQUITY AND LIABILITIES	495,592	495,409
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.11	1.10

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020)



MINHO (M) BERHAD 199001009358(200930 – H)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the company →										
	← Non-distributable →						Distributable				
	Share Capital	Share Capital- Excess from resale of treasury shares	Share Premium	Treasury Shares	Reserve on consolidation	Asset revaluation reserves	Equity component from the replacement warrants	Retained Earnings/(Losses)	Total	Non-Controlling Interest	Total Equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Period ended 31 March 2021											
Balance as at 01.01.2021	201,188	-	-	-	13,464	-	-	160,218	374,870	39,284	414,154
Total comprehensive income for the period						-		2,397	2,397	265	2,662
Distribution of Dividends								-	-	-	-
Distribution of Special Share Dividend									-		
Dividend distributed to Non-Controlling Interest									-	(490)	(490)
Balance as at 31.03.2021	201,188	-	-	-	13,464	-	-	162,615	377,267	39,059	416,326
Period ended 31 March 2020											
Balance as at 01.01.2020	201,188	-	-	-	13,464	-	-	157,109	371,761	38,993	410,754
Total comprehensive income for the period								142	142	(180)	(38)
Distribution of Dividends								-	-	-	-
Distribution of Special Share Dividend									-	-	-
Dividend distributed to Non-Controlling Interest									-	(735)	(735)
Balance as at 31.03.2020	201,188	-	-	-	13,464	-	-	157,251	371,903	38,078	409,981

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

(The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Cumulative Period	
	Current Year to date 31/3/2021 RM'000	Preceding Period Ended 31/3/2020 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	3,997	776
Adjustments for :		
Depreciation, amortisation and impairment losses	1,612	1,866
Interest income	(175)	(230)
Interest expenses	400	664
Share of profit in associates	-	-
Fair value gain of financial instruments measured at fair	-	-
Provision:		
Provision for doubtful debts	-	-
Write back of provision for doubtful debts	-	-
Write down of inventories	-	-
Write back of stock value	-	-
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	(968)	-
Asset written off	-	-
Operating profit before changes in working capital	4,866	3,076
Net change in current assets	(5,120)	10,394
Net change in current liabilities	(4,825)	(3,883)
Cash flow from operation	(5,079)	9,587
Taxes paid	(772)	(1,340)
Taxes refunded	377	-
Net Cash Flows From Operating Activities	(5,474)	8,247
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(311)	(115)
Purchase of freehold land	-	-
Purchased freehold land for property development	-	-
Purchase of financial assets	-	-
Acquisition of additional investment in a subsidiary	-	-
Proceeds from sale of non-current assets	1,294	-
Increase/(Decrease) in deposit with licensed bank & short term investments	-	-
Reclassified deposit with licensed bank to other investment	-	-
Dividend received	-	-
Net Cash Used in Investing Activities	983	(115)
Cash Flows From Financing Activities:		
Issue of ordinary shares	-	-
Acquisition of treasury shares	-	-
Distribution of Dividends	-	-
Special Share Dividend distributed	-	-
Bank borrowings and other liabilities (Net)	4,195	(1,155)
Repayment of hire purchase obligations	(1,088)	(1,043)
Dividends paid to non-controlling interest in subsidiary company	(490)	(735)
Net Cash Flows From Financing Activities	2,617	(2,933)
Net Increase in Cash and Cash Equivalents	(1,874)	5,199
Cash and Cash Equivalents at the beginning of the year	60,628	37,830
Effects of changes in foreign exchange rates	(221)	(65)
Cash and Cash Equivalents at end of the period	58,533	42,964
Cash and cash equivalent comprise the following:-		
Bank and cash balances	27,433	17,383
Short-term investments and Deposit with license bank	31,100	25,581
	58,533	42,964

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134: INTERIM FINANCIAL STATEMENT.**1. Basis of preparation and Accounting Policies.**

The interim financial statements are unaudited and has been prepared in accordance with the reporting requirements outlined in Financial Reporting Standards ("FRS") 134: "Interim Financial Reporting" and Paragraph 9.22 of the Bursa Malaysia Securities Berhad (Bursa) Main Market Listing Requirements.

The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2020. It contains unaudited condensed consolidated financial statements and selected explanatory notes. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2020. The condensed consolidated interim financial report and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Financial Reporting Standards (FRSs).

1.1. Significant Accounting Policies

The significant accounting policies and method of computation adopted by the Group are consistent with those of the audited financial statements for the financial year ended 31 December 2020, except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and Interpretations by the Group. The significant accounting policies adopted in the preparation of this interim financial report are consistent with those in the audited financial statements for the year ended 31 December 2020.

The following new and amended MFRSs and IC Interpretations mandatory for annual financial periods:-

(i) Effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 4, Insurance Contracts – Interest Rate Benchmark Reform (Phase 2)
- Amendments to MFRS 7, Financial Instruments: Disclosures – Interest Rate Benchmark Reform (Phase 2)
- Amendments to MFRS 9, Financial Instruments – Interest Rate Benchmark Reform (Phase 2)
- Amendments to MFRS 16, Leases – Interest Rate Benchmark Reform (Phase 2)
- Amendments to MFRS 139, Financial Instruments: Recognition and Measurement – Interest Rate Benchmark Reform (Phase 2)

(ii) Effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards – Subsidiary as a First-time Adopter
- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture – Taxation in Fair Value Measurements

(iii) Effective for annual periods beginning on or after 1 January 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

(The figures have not been audited)

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

- (iv) Effective date yet to be determined**
- Amendments to MFRS 10, Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

2. Auditors' Report On Preceding Annual Financial Statements

The auditors' report of the audited financial statements for the financial year ended 31 December 2020 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The business operations of the Group are generally affected negatively by the monsoon seasons and the major festive seasons namely Hari Raya Aidilfitri and Chinese New Year holidays. Such occasions not only undoubtedly limit our ability to undertake certain operational activities at our end; they do also, by and large, curtail demand from our customers, who are themselves also negatively impacted by these factors.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows.

5. Changes In Estimates of Amounts Reported Previously

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years which may have a material effect on the current interim period.

6. Issuances and Repayments of Debt and Equity Securities

There were no issuances or repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Company for the financial period ended 31 March 2021.

7. Dividends Paid

There were no dividends declared and paid by the Company for the financial period ended 31 March 2021.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

(The figures have not been audited)

8. Segment Information

The Group's segment information for the financial period ended 31 March 2021 is as follows :-

	Timber Extraction RM'000	Timber Trading RM'000	Manufacturing RM'000	Services & Treatment RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Total RM'000
2021								
Revenue								
External Sales	-	27,723	22,475	6,232	-	814		57,244
Inter segmental sales	-	9	301	1,265	-	116	(1,691)	-
Total Revenue	-	27,732	22,776	7,497	-	930		57,244
Segments Profits/(Loss) Before Tax	(81)	868	2,426	435	(23)	447	(75)	3,997
Depreciation and amortisation	-	223	826	417	-	146		1,612
Rental income of land and buildings	-	791	411	815	-	-	(140)	1,877
Net foreign exchange	-	(216)	(5)	-	-	-		(221)
Gain/(loss) on disposal of property, plant and equipment	-	-	926	42	-	-		968
Finance cost	-	107	308	13	-	5	(33)	400
Interest Income	-	80	28	33	6	28		175
Tax Expenses	-	445	657	205	-	28		1,335
Segments Assets	429	122,514	159,583	164,310	10,660	39,550	(1,454)	495,592
Other Investment								-
Total Segments Assets								495,592
Segment Liabilities	25	18,454	42,749	14,259	12	4,873	(1,106)	79,266
2020								
Revenue								
External Sales	-	21,148	22,320	7,575	-	606		51,649
Inter segmental sales	-	101	497	1,673	-	114		2,385
Total Revenue	-	21,249	22,817	9,248	-	720	-	54,034
Segments Profits/(Loss) Before Tax	(425)	939	(151)	1,364	(15)	797	(1,733)	776
Depreciation and amortisation	61	39	1,078	484	1	203		1,866
Rental income of land and buildings	-	16	1,051	784	-	-	(140)	1,711
Net foreign exchange	-	(52)	(13)	-	-	-		(65)
Gain/(loss) on disposal of property, plant and equipment	-	-	-	-	-	-		-
Finance cost	-	35	622	23	-	-	(16)	664
Interest Income	-	42	113	20	15	40		230
Tax Expenses	-	78	304	397	-	35		814
Segments Assets	2,662	123,551	168,343	162,936	10,642	37,565	(1,505)	504,194
Other Investment								-
Total Segments Assets								504,194
Segment Liabilities	593	25,978	45,126	15,844	242	5,902	528	94,213



INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

(The figures have not been audited)

9. Property, Plant, and Equipment.

Carrying Amount of Revalued Assets

The valuations of property, plant, and equipment have been brought forward without amendment from the financial statements for year ended 31 December 2020.

10. Material events Subsequent to the End of the Interim Reporting Period

There are no material events subsequent to the financial period ended 31 March 2021 that have not been reflected in the related financial statements.

11. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the financial period ended 31 March 2021.

12. Contingent Liabilities – Unsecured

As at 31 March 2021, the Company had contingent liabilities in the form of corporate guarantees given to financial institutions in respect of facilities granted to subsidiary companies amounting to RM90,313,000.00, of which an amount of RM21,506,993.00 were utilized.

13. Capital Commitments

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


INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

(The figures have not been audited)

14. Related Party Transactions.

The summary of related party transactions for current quarter and cumulative period to date is as follows:-

Related Party	Nature of Recurrent Transaction(s)	Recurrent Transaction with Minho or Subsidiary Company	Frequency of Transaction	Total Value (Transaction For The Year) 01/01/2021 to 31/3/2021 (RM ' 000)		Approved Value 28/08/2020 to 09/06/2021 (RM ' 000)		Balance due to / from the companies 31/03/2021 (RM ' 000)	
				Receivables	Payables	Receivables	Payables	Receivables	Payables
D M Timber Sdn Bhd ("DM")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		1,230		15,000		160
Minho Kilning (Klang) Sdn Bhd ("MKK")	⁽ⁱ⁾ Rental & Storage Charges	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		871		9,000		-
Oak Three Sdn Bhd ("OT") (formerly known as QR Printing Sdn Bhd)	Insurance brokerage fee.	Syarikat Minho Kilning Sdn Bhd ("SMK")	Yearly		1		800		12
Mahawangsa Timber Industries Sdn Bhd ("MTI")	Sales of sawn timber and its related products.	LTI	Monthly	2		4,000		371	
	Purchase of logs.	LTI	Monthly		341		20,000		-
Pembinaan Infra E&J Sdn Bhd ("EJ")	Construction cost for infrastructure & building works	My Squares Development Sdn Bhd ("MS")	Monthly		-		20,000		-
MTI	^(a) Purchase of timber.	Costraco Sdn Bhd ("CSB")	Monthly		381		19,000		381
MTI	^(b) Purchase of timber.	Indah Wood Products Sdn Bhd ("IWPSB")	Monthly		-		3,500		-
MTI	^(c) Purchase of timber.	Euro-CGA Sdn Bhd ("ECSB")	Monthly		45		5,500		45
MTI	^(d) Purchase of timber.	Victory Enterprise Sdn Bhd ("VESB")	Monthly		-		5,500		-
Lucky Star Diversified Sdn Bhd ("LSDSB")	Sales of sawn timber	Lionvest Corporation (Pahang) Sdn Bhd ("LCPSB")	Monthly	-		9,500		-	
Lucky Star Diversified Sdn Bhd ("LSDSB")	⁽ⁱⁱ⁾ Rental	Lionvest Corporation (Pahang) Sdn Bhd ("LCPSB")	Monthly	6		48		-	
D M Timber Sdn Bhd ("DM")	⁽ⁱⁱⁱ⁾ Rental	Lionvest Corporation (Pahang) Sdn Bhd ("LCPSB")	Monthly	6		48		-	
Total				14	2,869	13,596	98,300	371	598

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

(The figures have not been audited)

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**15. Review of Performance of the Company and its Principal Subsidiaries**

	3 MONTHS ENDED	
	YEAR-TO-DATE ENDED	
	Q1 2021	Q1 2020
	31/3/2021	31/3/2020
	RM'000	RM'000
Revenue		
Timber Extraction	-	-
Timber Trading	27,723	21,148
Manufacturing	22,475	22,320
Services & Treatment	6,232	7,575
Property Development	-	-
Others	814	606
	<u>57,244</u>	<u>51,649</u>
Segment Profit		
Timber Extraction	(81)	(425)
Timber Trading	868	939
Manufacturing	2,426	(151)
Services & Treatment	435	1,364
Property Development	(23)	(15)
Others	447	797
	4,072	2,509
Elimination	(75)	(1,733)
Profit before taxation	3,997	776
Taxation	(1,335)	(814)
Profit after taxation	2,662	(38)
Non-controlling interest	(265)	180
Net profit for the year	<u>2,397</u>	<u>142</u>

(a). Three months period and Year to date.

The Group disclosed total revenue of RM57.24 million for the current 3 months period ended 31 December 2021, RM5.59 million or 11% more than the RM51.65 million recorded in the corresponding 3 months period ended 31 December 2020. This increase was mainly attributed to the combined RM6.94 million increase in Timber Trading, Manufacturing and Others segments. This was partially offset by the decrease of RM1.34 million in the turnover for Services & Treatment segment.

The group's pre-tax profit increased by RM3.22 million mainly due to the increase in pre-tax profit of RM2.58 million for the Manufacturing segment.

Timber Extraction

No logging was carried out in the current 3 months period ended 31 December 2021 similar to the corresponding 3 months period ended 31 December 2020. Incurred pre-tax loss RM81 thousand.

Timber Trading

The turnover for this segment increased by RM6.57 million due to higher demand after some relief on port congestion globally. The pre-tax profit for this segment decreased by RM71 thousand from a pre-tax profit of RM939 thousand in the corresponding 3 months period ended 31 December 2020 to RM868 thousand for the current 3 months period ended 31 December 2021 due to higher freight charges.

Manufacturing

Total turnover for this segment increased by RM155 thousand. The turnover for the manufacturing of industrial paper bags increased by RM267 thousand due to higher demand for food and chemical related industries, while the turnover for manufacturing of timber and wood based products decreased by RM112 thousand due to slow down demand from Europe. Pre-tax profit for this market segment increased by RM2.58 million from pre-tax loss RM151 thousand in the corresponding 3

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

(The figures have not been audited)

months period ended 31 December 2020 to pre-tax profit RM2.42 million for the current 3 months period ended 31 December 2021. The increase in pre-tax profit was mainly attributed to higher profit registered by the manufacturing of timber and wood based products, the profit increased by RM1.10 million due to gain on disposal of fixed asset. The manufacturing of industrial paper bags increased pre-tax profit by RM1.48 million due to higher revenue and lower cost of sales.

Services & Treatment

Total turnover for this segment decreased by RM1.34 million. The pre-tax profit for this segment decreased by RM929 thousand from a pre-tax profit of RM1.36 million in the corresponding 3 months period ended 31 December 2020 to RM435 thousand for the current 3 months period ended 31 December 2021. Higher factory overhead, labour cost and transportation charges also have an impact.

Property Development

There were no revenue registered for the current 3 months period ended 31 December 2021 similar to the corresponding 3 months period ended 31 December 2020. It reported a pre-tax loss of RM23 thousand compared to a pre-tax loss of RM15 thousand previously.

16. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

Market Segments	Revenue		Segment Profit	
	Q1 2021	Q4 2020	Q1 2021	Q4 2020
	RM'000	RM'000	RM'000	RM'000
Timber Extraction	-	573	(81)	368
Timber Trading	27,723	15,447	868	(810)
Manufacturing	22,475	20,260	2,426	(1,010)
Services & Treatment	6,232	6,716	435	85
Property Development	-	-	(23)	57
Others	814	1,034	447	(29,531)
	<u>57,244</u>	<u>44,030</u>	<u>4,072</u>	<u>(30,841)</u>
Elimination			(75)	29,166
Profit before taxation			3,997	(1,675)
Taxation			(1,335)	829
Profit after taxation			2,662	(846)
Non-controlling interest			(265)	(161)
Net profit for the year			2,397	(1,007)

The Group's turnover for the current quarter under review was RM57.24 million, which was RM13.21 million or 30% more than the RM44.03 million registered in the preceding quarter. The Timber Trading and Manufacturing segments recorded higher growth in their turnover except for the Timber Extraction, Services & Treatment and Others segments. The Timber Trading and Manufacturing recorded combined increase of RM14.49 million in their turnover. This was partially offset by the decrease of RM1.28 million recorded by the Timber Extraction, Services & Treatment and Others segments.

The Group posted a pre-tax profit of RM3.99 million for the current quarter against the preceding quarter figure of pre-tax loss of RM1.67 million. The major contributors to the RM5.46 million increase in pre-tax profit for the current quarter was the Timber Trading, Manufacturing and Services & Treatment segments.

17. Prospects for Current Financial Year

The International Monetary Fund ("IMF") in their latest publication of World Economic Outlook(WEO) Update April 2021 projected that the global growth is projected at 6 percent in 2021, moderating to 4.4 percent in 2022. The projections for 2021 and 2022 are stronger than in the October 2020 WEO. The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility. High uncertainty surrounds this outlook, related to the path of the pandemic, the effectiveness

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

(The figures have not been audited)

of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions.

In view of the above, the Group will continue efforts to strengthen the cost control strategies and will also enhance its operation and marketing strategies in order to achieve higher production efficiency and to maximize profit margins.

18. Variance of Actual Profit from Forecast Profit

The disclosure requirements for explanatory notes on the variation of actual profit after tax and profit forecast and shortfall in profit guarantee are not applicable.

19. Taxation

Taxation comprises:-

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31/3/2021	31/3/2020	31/3/2021	31/3/2020
	RM'000	RM'000	RM'000	RM'000
Current taxation	1,335	814	1,335	814
(Over)/Under provision in respect of prior years	-	-	-	-
Foreign Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
	1,335	814	1,335	814
Our share of results of associated companies	-	-	-	-
	1,335	814	1,335	814

The effective tax rates for the periods presented above are higher than the statutory tax rate principally due to losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries, and also to certain expenses which are not deductible for tax purposes.

20. Trade Receivables

	As at 31.3.2021 RM'000	As at 31.3.2020 RM'000
Trade receivables	31,322	38,191
Less: Allowance for impairment loss	(1,659)	(3,181)
	29,663	35,010

The ageing analysis of the Group's trade receivables is as follows:

	As at 31.3.2021 RM'000	As at 31.3.2020 RM'000
Neither past due nor impaired	18,106	23,129
Past due not impaired:		
< 30 days	4,184	5,126
31 - 60 days	3,483	3,299
> 60 days	5,549	6,637
Gross trade receivables	31,322	38,191
Less: Allowance for impairment loss	(1,659)	(3,181)
	29,663	35,010

Trade receivables that are past due but not impaired are creditworthy debtors. The Group has no significant concentration of credit risk that may arise from exposures to a single clearing participant or counterparty.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

(The figures have not been audited)

21. Disposal of Unquoted Investments and Properties

There were no disposals of investments and/or properties for the financial period under review.

22. Quoted Securities

There were no purchases and/or disposals of quoted securities of the Group for the financial period ended 31 March 2021.

23. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 24 May 2021.

24. Group Borrowings

Total Group borrowings as at 31 March 2021 were as follows:-

	As at 1st. Quarter ended 31 March 2021		
	Long Term RM	Short Term RM	Total borrowings RM
Secured			
Property Loan	8,720		8,720
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts and Letter of Credits)		24,254	24,254
Unsecured	-	-	-
	As at 1st. Quarter ended 31 March 2020		
Secured			
Property Loan	11,393		11,393
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts and Letter of Credits)		25,797	25,797
Unsecured	-	-	-

25. Off Balance Sheet Financial Instruments

There are no material financial instruments with off balance sheet risk as at the date of this report.

26. Material Litigation

As at 24 May 2021, the latest practicable date that is not earlier than 7 days from the issue of this quarterly report, the Group is not engaged in any material litigation except for the following which was reported previously:

(a.) Writ no: BL-A52-12-10/2020

On 27 October 2020, our wholly-owned subsidiary, Syarikat Minho Kilning Sdn Bhd (“SMKSB” or “Defendant”) received the sealed Writ of Summons and Statement of Claim from Messrs. Gerard Lazarus & Associates, the solicitors for Praetrans Sdn Bhd (“PTS” or “Plaintiff”) and demanded for a payment of RM161,147.66 plus default interest at 4% per annum until the aforesaid is fully paid, failing which legal recovery actions will be taken against SMKSB.

On 13 November 2020, Defendant's solicitors, Messrs Kamil Hashim Raj & Lim has filed its Defence and Counterclaim stipulating the Company's defences to PTS and counterclaims. Pursuant to the Defence and Counterclaim, SMKSB claims a total outstanding sum of RM404,720.00 and interest at the rate of 5% per annum from the date of judgement until the full realization date from Plaintiff.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

(The figures have not been audited)

On 1 March 2021, the mediation date for this case is fixed on 22 April 2021 at Shah Alam Sessions court Mediation Centre Negeri Selangor.

Apart from the above, there is no other material litigation pending as at the date of this announcement.

27. Dividend

No dividend has been recommended by the Board for the period ended 31 March 2021 (2020: Nil).

28. Profit/(Loss) From Operations

The following items have been charged/ (credited) in arriving at profit/ (loss) from operations:

	Individual Quarter		Cumulative Period	
	Current Year	Preceding Year	Current Year	Preceding
	31/3/2021	31/3/2020	31/3/2021	31/3/2020
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
(a). Interest income	175	230	175	230
(b). Investment income	-	-	-	-
(c). Rental Income	1,877	1,711	1,877	1,711
(d). Interest expenses	(400)	(664)	(400)	(664)
(e). Depreciation & Amortisation	(1,612)	(1,866)	(1,612)	(1,866)
(f). Gain/(loss) on disposal of property, plant & equipment	968	-	968	-
(g). Property, plant & equipment written off	-	-	-	-
(h). Inventories write-down	-	-	-	-
(i). Provision for and write-off of receivables	-	-	-	-
(j). Provision for receivables write-back.	-	-	-	-
(k). Net foreign exchange gain/(loss)	(221)	(65)	(221)	(65)

29. Earning/ (Loss) Per Share

(a) Basic earnings/ (loss) per share

	Individual Quarter		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to date	Preceding Period Ended
	31/3/2021	31/3/2020	31/3/2021	31/3/2020
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net earnings/(loss) attributable to the ordinary equity holders of the Company	2,397	142	2,397	142
Weighted average number of ordinary shares ('000)	340,538	340,538	340,538	340,538
Basic earnings/(loss) per share (sen)	0.70	0.04	0.70	0.04

(b) Diluted earnings per share

Not applicable

30. Authorisation for issue

This interim financial information has been approved for issue in accordance with a resolution of the Board of Directors dated 31 May 2021.

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 31 May 2021.