



# **MINHO (M) BERHAD**

Registration No. 199001009358 (200930-H)

## **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

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**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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>31/12/2021</u>	<u>31/12/2020</u>	<u>31/12/2021</u>	<u>31/12/2020</u>
	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>
<b>Continuing Operations:</b>				
<b>Revenue</b>	77,068	44,030	222,052	201,833
Cost of sales	(75,210)	(47,851)	(221,794)	(206,898)
Gross profit	1,858	(3,821)	258	(5,065)
Other operating income	6,136	3,224	14,069	12,883
Finance cost	(516)	(1,078)	(1,715)	(2,519)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	7,478	(1,675)	12,612	5,299
Income tax expense	(284)	829	(2,681)	(1,164)
<b>Profit for the period from continuing operations</b>	7,194	(846)	9,931	4,135
<b>Loss from discontinued operation</b>	-	-	-	-
<b>Profit for the period</b>	7,194	(846)	9,931	4,135
<b>Other Comprehensive Income:</b>				
<b>Other Comprehensive Income net of tax</b>	-	-	-	-
<b>Total Comprehensive Income for the period</b>	7,194	(846)	9,931	4,135
<b>Net Profit/(loss) attributable to:</b>				
Owners of the Parent				
- income from continuing operations	6,162	(1,007)	8,108	3,109
- loss from discontinued operations				
Non-Controlling Interest	1,032	161	1,823	1,026
Profit for the period	7,194	(846)	9,931	4,135
Total comprehensive income attributable to:				
Owners of the Parent	6,162	(1,007)	8,108	3,109
Non-Controlling Interest	1,032	161	1,823	1,026
	7,194	(846)	9,931	4,135
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	1.73	(0.30)	2.27	0.91

(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 FOURTH QUARTER ENDED 31 DECEMBER 2021**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited As at 31/12/2021 RM'000</b>	<b>Audited As at 31/12/2020 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	134,559	135,370
Investment properties	138,304	139,759
Right of use assets	14,290	20,183
Other investment	-	-
	<b>287,153</b>	<b>295,312</b>
<b>Current Assets</b>		
Inventories	81,436	99,830
Property development cost	9,147	8,996
Trade receivables	32,002	22,676
Other receivables	5,266	4,755
Tax recoverable	2,297	2,745
Short-term investments	14,343	14,402
Derivative financial assets	381	467
Fixed deposit with licensed banks	26,386	25,786
Cash and bank balances	32,653	20,440
	<b>203,911</b>	<b>200,097</b>
<b>TOTAL ASSETS</b>	<b>491,064</b>	<b>495,409</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owner of the parents</b>		
Share capital	206,368	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)	168,326	160,218
	<b>388,158</b>	<b>374,870</b>
<b>Non-controlling interest</b>	<b>39,929</b>	<b>39,283</b>
<b>Total Equity</b>	<b>428,087</b>	<b>414,153</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	8,752	9,545
Lease liabilities	4,613	11,085
Loan and borrowings	3,993	8,773
	<b>17,358</b>	<b>29,403</b>
<b>Current Liabilities</b>		
Trade payables	10,653	13,215
Other payables	9,858	9,209
Provision for liabilities	2,106	2,106
Lease liabilities	6,641	6,892
Loan and borrowings	15,995	20,431
Derivative financial liabilities	-	-
Tax Payable	366	-
	<b>45,619</b>	<b>51,853</b>
<b>Total Liabilities</b>	<b>62,977</b>	<b>81,256</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>491,064</b>	<b>495,409</b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<b>1.09</b>	<b>1.10</b>

(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 FOURTH QUARTER ENDED 31 DECEMBER 2021**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to equity holders of the company →												
	Share Capital	Share Capital- Excess from resale of treasury shares	← Non-distributable →				Distributable				Total	Non- Controlling Interest	Total Equity
			Share Premium	Treasury Shares	Reserve on consolidation	Asset revaluation reserves	Equity component from the replacement warrants	Retained Earnings/(Los ses)	RM'000	RM'000			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Period ended 31 December 2021</b>													
<b>Balance as at 01.01.2021</b>	201,188	-	-	-	13,464	-	-	160,218	374,870	39,284	414,154		
Total comprehensive income for the period						-		8,108	8,108	1,823	9,931		
Distribution of Dividends								-	-	-	-		
Issuance of ordinary shares pursuant to:													
- Exercise of warrants	5,180								5,180		5,180		
Dividend distributed to Non-Controlling Interest									-	(1,178)	(1,178)		
<b>Balance as at 31.12.2021</b>	206,368	-	-	-	13,464	-	-	168,326	388,158	39,929	428,087		
<b>Period ended 31 December 2020</b>													
<b>Balance as at 01.01.2020</b>	201,188	-	-	-	13,464	-	-	157,109	371,761	38,993	410,754		
Total comprehensive income for the period								3,109	3,109	1,026	4,135		
Distribution of Dividends								-	-	-	-		
Distribution of Special Share Dividend								-	-	-	-		
Dividend distributed to Non-Controlling Interest									-	(735)	(735)		
<b>Balance as at 31.12.2020</b>	201,188	-	-	-	13,464	-	-	160,218	374,870	39,284	414,154		

(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 FOURTH QUARTER ENDED 31 DECEMBER 2021**

(The figures have not been audited)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Cumulative Period	
	Current Year to date	Preceding Period Ended
	31/12/2021 <u>RM'000</u>	31/12/2020 <u>RM'000</u>
<b>Cash Flows From Operating Activities</b>		
<b>Profit/(Loss) before taxation</b>	12,612	5,299
Adjustments for :		
Depreciation, amortisation and impairment losses	7,447	11,422
Interest income	(665)	(818)
Interest expenses	1,715	2,519
Share of profit in associates	-	-
Fair value gain of financial instruments measured at fair	-	-
Provision:		
Provision for doubtful debts	399	1,436
Write back of provision for doubtful debts	(972)	(2,703)
Write down of inventories	-	1,487
Write back of stock value	(1,941)	-
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	(1,538)	-
Asset written off	188	-
Operating profit before changes in working capital	17,245	18,642
Net change in current assets	8,406	31,504
Net change in current liabilities	(1,913)	(5,232)
Cash flow from operation	23,738	44,914
Taxes paid	(3,453)	(3,681)
Taxes refunded	377	627
<b>Net Cash Flows From Operating Activities</b>	<b>20,662</b>	<b>41,860</b>
<b>Cash Flows From Investing Activities:</b>		
Purchase of PPE and investment property	(2,446)	(2,062)
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	1,866	26
Increase/(Decrease) in deposit with licensed bank & short term investments	-	-
Reclassified deposit with licensed bank to other investment	-	-
Dividend received	-	-
<b>Net Cash Used in Investing Activities</b>	<b>(580)</b>	<b>(2,036)</b>
<b>Cash Flows From Financing Activities:</b>		
Issue of ordinary shares	-	-
Acquisition of treasury shares	-	-
Distribution of Dividends	-	-
Proceed from exercised of Warrants	5,180	-
Bank borrowings and other liabilities (Net)	(7,580)	(14,026)
Repayment of hire purchase obligations	(3,962)	(3,108)
Dividends paid to non-controlling interest in subsidiary company	(980)	(735)
<b>Net Cash Flows From Financing Activities</b>	<b>(7,342)</b>	<b>(17,869)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>12,740</b>	<b>21,955</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>60,628</b>	<b>37,830</b>
<b>Effects of changes in foreign exchange rates</b>	<b>14</b>	<b>843</b>
<b>Cash and Cash Equivalents at end of the period</b>	<b>73,382</b>	<b>60,628</b>
<b>Cash and cash equivalent comprise the following:-</b>		
Bank and cash balances	32,653	20,440
Short-term investments and Deposit with license bank	40,729	40,188
	<b>73,382</b>	<b>60,628</b>

*(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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 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 December 2021.

**7. Dividends Paid**

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

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

(The figures have not been audited)

**8. Segment Information**

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

	<b>Timber Extraction RM'000</b>	<b>Timber Trading RM'000</b>	<b>Manufacturing RM'000</b>	<b>Services &amp; Treatment RM'000</b>	<b>Property Development RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>2021</b>								
<b>Revenue</b>								
<i>External Sales</i>	413	98,874	98,198	21,446	-	3,121		222,052
<i>Inter segmental sales</i>	-	2,705	5,052	4,713	-	488	(12,958)	-
<b>Total Revenue</b>	<b>413</b>	<b>101,579</b>	<b>103,250</b>	<b>26,159</b>	<b>-</b>	<b>3,609</b>		<b>222,052</b>
Segments Profits/(Loss) Before Tax	(110)	7,659	7,650	(693)	(76)	(922)	(896)	12,612
Depreciation and amortisation	141	941	3,829	1,658	-	878		7,447
Rental income of land and buildings	-	2,962	1,671	2,910	-	-	(1,001)	6,542
Net foreign exchange	-	(83)	97	-	-	-		14
Gain/(loss) on disposal of property, plant and equipment	-	-	1,491	47	-	-		1,538
Finance cost	-	310	1,423	152	-	20	(190)	1,715
Interest Income	-	283	138	128	1	115		665
Tax Expenses	-	1,478	1,766	(573)	-	10		2,681
Segments Assets	2,515	117,205	160,003	160,738	10,641	42,253	(2,291)	491,064
Other Investment								-
<b>Total Segments Assets</b>								<b>491,064</b>
Segment Liabilities	560	10,802	36,818	10,663	46	5,380	(1,292)	62,977
<b>2020</b>								
<b>Revenue</b>								
<i>External Sales</i>	1,438	86,082	85,782	25,582	-	2,949		201,833
<i>Inter segmental sales</i>	-	1,062	6,797	6,351	-	445		14,655
<b>Total Revenue</b>	<b>1,438</b>	<b>87,144</b>	<b>92,579</b>	<b>31,933</b>	<b>-</b>	<b>3,394</b>	<b>-</b>	<b>216,488</b>
Segments Profits/(Loss) Before Tax	726	2,875	179	4,169	256	(28,811)	25,905	5,299
Depreciation and amortisation	300	159	4,889	5,374	-	700		11,422
Rental income of land and buildings	-	60	3,934	2,825	-	-	(516)	6,303
Net foreign exchange	-	1,021	(178)	-	-	-		843
Gain/(loss) on disposal of property, plant and equipment	-	1	1	23	-	-		25
Finance cost	-	4	2,300	267	-	-	(52)	2,519
Interest Income	-	161	372	110	42	133		818
Tax Expenses	-	289	(66)	877	-	64		1,164
Segments Assets	2,417	125,780	156,288	165,462	10,683	37,470	(2,691)	495,409
Other Investment								-
<b>Total Segments Assets</b>								<b>495,409</b>
Segment Liabilities	471	21,609	39,969	15,427	12	4,873	(1,106)	81,255





**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

(The figures have not been audited)

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**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 December 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 December 2021.

**12. Contingent Liabilities – Unsecured**

As at 31 December 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 RM7,307,552.00 were utilized.

**13. Capital Commitments**

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


**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 1/1/2021 to 31/12/2021 ( RM ' 000)		Approved Value 28/09/2021 to next AGM ( RM ' 000)		Balance due to / from the companies 31/12/2021 ( RM ' 000)		
				Receivables	Payables	Receivables	Payables	Receivable	Payables	
D M Timber Sdn Bhd ("DM")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		4,009		15,000		210	
Minho Kilning (Klang) Sdn Bhd ("MKK")	<sup>(i)</sup> Rental & Storage Charges	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		3,751		9,000		-	
Oak Three Sdn Bhd ("OT") (formerly known as QR Printing Sdn Bhd)	Insurance brokerage fee.	Syarikat Minho Kilning Sdn Bhd ("SMK")	Yearly		51		800		16	
Mahawangsa Timber Industries Sdn Bhd ("MTI")	Sales of sawn timber and its related products.	LTI	Monthly	527		4,000		-		
	Purchase of logs.	LTI	Monthly		3,006		20,000	945	-	
Pembinaan Infra E&J Sdn Bhd ("EJ")	Construction cost for infrastructure & building works	My Squares Development Sdn Bhd ("MS")	Monthly		-		20,000		-	
MTI	<sup>(a)</sup> Purchase of timber.	Costraco Sdn Bhd ("CSB")	Monthly		1,117		19,000	8	-	
MTI	<sup>(b)</sup> Purchase of timber.	Indah Wood Products Sdn Bhd ("IWPSB")	Monthly		-		3,500		-	
MTI	<sup>(c)</sup> Purchase of timber.	Euro-CGA Sdn Bhd ("ECSB")	Monthly		45		5,500		-	
MTI	<sup>(d)</sup> 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")	<sup>(ii)</sup> Rental	Lionvest Corporation (Pahang) Sdn Bhd ("LCPSB")	Monthly	24		48		-		
D M Timber Sdn Bhd ("DM")	<sup>(iii)</sup> Rental	Lionvest Corporation (Pahang) Sdn Bhd ("LCPSB")	Monthly	24		48		-		
<b>Total</b>					<b>575</b>	<b>11,979</b>	<b>13,596</b>	<b>98,300</b>	<b>953</b>	<b>226</b>

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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**

	<b>3 MONTHS ENDED</b>		<b>12 MONTHS ENDED</b>	
	<b>YEAR-TO-DATE ENDED</b>		<b>YEAR-TO-DATE ENDED</b>	
	<b>Q4 2021</b>	<b>Q4 2020</b>	<b>Q4 2021</b>	<b>Q4 2020</b>
	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
Timber Extraction	413	573	413	1,438
Timber Trading	35,571	15,447	98,874	86,082
Manufacturing	32,908	20,260	98,198	85,782
Services & Treatment	7,529	6,716	21,446	25,582
Property Development	-	-	-	-
Others	647	1,034	3,121	2,949
	<b>77,068</b>	<b>44,030</b>	<b>222,052</b>	<b>201,833</b>
<b>Segment Profit</b>				
Timber Extraction	162	368	(110)	726
Timber Trading	4,906	(810)	7,659	2,875
Manufacturing	2,416	(1,010)	7,650	179
Services & Treatment	1,015	85	(693)	4,169
Property Development	(33)	57	(76)	256
Others	(624)	(29,531)	(922)	(28,811)
	<b>7,842</b>	<b>(30,841)</b>	<b>13,508</b>	<b>(20,606)</b>
Elimination	(364)	29,166	(896)	25,905
Profit before taxation	<b>7,478</b>	<b>(1,675)</b>	<b>12,612</b>	<b>5,299</b>
Taxation	(284)	829	(2,681)	(1,164)
Profit after taxation	<b>7,194</b>	<b>(846)</b>	<b>9,931</b>	<b>4,135</b>
Non-controlling interest	(1,032)	(161)	(1,823)	(1,026)
Net profit for the year	<b>6,162</b>	<b>(1,007)</b>	<b>8,108</b>	<b>3,109</b>

**(a). Three months period-Q4 2021.**

For the current quarter, the Group registered revenue of RM77.06 million, higher than RM33.03 million for Q4 2020. This increase was mainly attributed to the RM33.58 million total combined increases in turnover for the Timber Trading, Manufacturing and Services & Treatment market segments.

The group's pre-tax profit increased by RM9.15 million, i.e. from pre-tax loss RM1.67 million to pre-tax profit RM7.47 million. Most of the Group's market segments recorded higher pre-tax profit. The Timber Trading, Manufacturing and Services & Treatment segments combined increase of RM10.07 million in the pre-tax profit.

**(b). Twelve months period and Year to date.**

The Group disclosed total revenue of RM222.05 million for the current 12 months period ended 31 December 2021, RM20.21 million or 10% more than the RM201.83 million recorded in the corresponding 12 months period ended 31 December 2020. This increase was mainly attributed to the combined RM25.38 million increase in Timber Trading, Manufacturing and Others segments.

The group's pre-tax profit increased by RM7.31 million mainly due to the increase in pre-tax profit of RM4.78 million for the Timber Trading segment and RM7.47 million for the Manufacturing segment.

**Timber Extraction**

111 acres was logged in the current 12 months period ended 31 December 2021 compared to 411 acres logged in the corresponding 12 months period ended 31 December 2020. Incurred pre-tax loss RM110 thousand.

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

(The figures have not been audited)

**Timber Trading**

The turnover for this segment increased by RM12.79 million due to buyers requested for urgent shipments of their contracts coupled with their additional purchase for year 2022. The pre-tax profit for this segment increased by RM4.78 million from a pre-tax profit of RM2.87 million in the corresponding 12 months period ended 31 December 2020 to RM7.65 million for the current 12 months period ended 31 December 2021 due to higher sales volume.

**Manufacturing**

Total turnover for this segment increased by RM12.41 million. The turnover for the manufacturing of industrial paper bags increased by RM3.91 million due to higher selling price in tandem with increasing raw materials price, while the turnover for manufacturing of timber and wood based products increased by RM8.5 million due to urgent sales order from buyers. Pre-tax profit for this market segment increased by RM7.47 million from pre-tax profit RM179 thousand in the corresponding 12 months period ended 31 December 2020 to pre-tax profit RM7.65 million for the current 12 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 RM4.23 million due to rental income and gain on disposal of fixed assets. The manufacturing of industrial paper bags increased pre-tax profit by RM3.24 million due to shortage of raw materials and panic stock up by customers.

**Services & Treatment**

Total turnover for this segment decreased by RM4.13 million. The pre-tax profit for this segment decreased by RM4.86 million from a pre-tax profit of RM4.16 million in the corresponding 12 months period ended 31 December 2020 to pre-tax loss of RM693 thousand for the current 12 months period ended 31 December 2021. Lower sales volume and higher factory overhead, labour cost and transportation charges per ton also have an impact.

**Property Development**

There were no revenue registered for the current 12 months period ended 31 December 2021 similar to the corresponding 12 months period ended 31 December 2020. It reported a pre-tax loss of RM76 thousand compared to a pre-tax profit of RM256 thousand previously.

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

Market Segments	Revenue		Segment Profit	
	<u>Q4 2021</u> <u>RM'000</u>	<u>Q3 2021</u> <u>RM'000</u>	<u>Q4 2021</u> <u>RM'000</u>	<u>Q3 2021</u> <u>RM'000</u>
Timber Extraction	413	-	162	(151)
Timber Trading	35,571	9,895	4,906	201
Manufacturing	32,908	15,605	2,416	1,358
Services & Treatment	7,529	3,423	1,015	(1,584)
Property Development	-	-	(33)	-
Others	647	620	(624)	184
	<u>77,068</u>	<u>29,543</u>	<u>7,842</u>	<u>8</u>
Elimination			(364)	(676)
<b>Profit before taxation</b>			<b>7,478</b>	<b>(668)</b>
Taxation			(284)	(27)
<b>Profit after taxation</b>			<b>7,194</b>	<b>(695)</b>
Non-controlling interest			(1,032)	19
<b>Net profit for the year</b>			<b>6,162</b>	<b>(676)</b>

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

(The figures have not been audited)

The Group's turnover for the current quarter under review was RM77.06 million, which was RM47.52 million or 160% more than the RM29.54 million registered in the preceding quarter. All segments recorded higher growth in their turnover.

The Group posted a pre-tax profit of RM7.47 million for the current quarter against the preceding quarter figure of pre-tax loss of RM668 thousand. The major contributors to the RM8.67 million increase in pre-tax profit for the current quarter was the Timber Extraction, Timber Trading, Manufacturing, Services & Treatment segments.

**17. Prospects for Current Financial Year**

The International Monetary Fund ("IMF") in their latest publication of World Economic Outlook(WEO) Update January 2022 projected that The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022—half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies.

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
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
Current taxation	(284)	829	(2,681)	(1,164)
(Over)/Under provision in respect of prior years	-	-	-	-
Foreign Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
	(284)	829	(2,681)	(1,164)
Our share of results of associated companies	-	-	-	-
	(284)	829	(2,681)	(1,164)

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

(The figures have not been audited)

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 31.12.2021 RM'000	As at 31.12.2020 RM'000
Trade receivables	33,661	24,235
Less: Allowance for impairment loss	(1,659)	(1,559)
	<b>32,002</b>	<b>22,676</b>

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

	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
Neither past due nor impaired	20,505	10,056
Past due not impaired:		
< 30 days	5,517	5,133
31 - 60 days	3,315	3,749
> 60 days	4,324	5,297
Gross trade receivables	33,661	24,235
Less: Allowance for impairment loss	(1,659)	(1,559)
	<b>32,002</b>	<b>22,676</b>

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.

**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 December 2021.

**23. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 21 February 2022.

**24. Group Borrowings**

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

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

(The figures have not been audited)

	As at 4th. Quarter ended 31 December 2021		
	Long Term	Short Term	Total borrowings
	RM	RM	RM
<b>Secured</b>			
Property Loan	3,993		3,993
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts and Letter of Credits)		15,995	15,995
<b>Unsecured</b>	-	-	-
	As at 4th. Quarter ended 31 December 2020		
<b>Secured</b>			
Property Loan	8,773		8,773
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts and Letter of Credits)		20,431	20,431
<b>Unsecured</b>	-	-	-

**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 21 February 2022, 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 Summon and Statement of Claim from Messrs. Gerard Lazarus & Associates, the solicitors for Practrans 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.

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 December 2021 (2020: Nil).

**28. Profit/(Loss) From Operations**

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

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

(The figures have not been audited)

	Individual Quarter		Cumulative Period	
	Current Year	Preceding Year	Current Year	Preceding
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
(a). Interest income	162	412	665	818
(b). Investment income	-	-	-	-
(c). Rental Income	1,274	3,337	6,542	6,303
(d). Interest expenses	(516)	(1,439)	(1,715)	(2,519)
(e). Depreciation & Amortisation	(2,328)	(7,751)	(7,447)	(11,422)
(f). Gain/(loss) on disposal of property, plant & equipment	447	-	1,538	-
(g). Property, plant & equipment written off	188	-	188	-
(h). Inventories write-down	-	(1,487)	-	(1,487)
(i). Provision for and write-off of receivables	(399)	(1,436)	(399)	(1,436)
(j). Provision for receivables write-back.	972	133	972	2,703
(k). Net foreign exchange gain/(loss)	235	908	14	843

**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
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net earnings/(loss) attributable to the ordinary equity holders of the Company	6,162	(1,007)	8,108	3,109
Weighted average number of ordinary shares ('000)	356,724	340,538	356,724	340,538
Basic earnings/(loss) per share (sen)	1.73	(0.30)	2.27	0.91

**30. Authorisation for issue**

This interim financial information has been approved for issue in accordance with a resolution of the Board of Directors dated 28 February 2022.

**By order of the Board**

Klang, Selangor Darul Ehsan.

Dated: 28 February 2022.