



MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

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**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

(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>Quarter</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u>	<u>Current Year</u> <u>to date</u>	<u>Preceding</u> <u>Period</u> <u>Ended</u>
	<u>31/03/2022</u> <u>(RM'000)</u>	<u>31/03/2021</u> <u>(RM'000)</u>	<u>31/03/2022</u> <u>(RM'000)</u>	<u>31/03/2021</u> <u>(RM'000)</u>
Continuing Operations:				
Revenue	66,975	57,244	66,975	57,244
Cost of sales	(60,718)	(56,391)	(60,718)	(56,391)
Gross profit	6,257	853	6,257	853
Other operating income	2,805	3,544	2,805	3,544
Finance cost	(285)	(400)	(285)	(400)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	8,777	3,997	8,777	3,997
Income tax expense	(2,380)	(1,335)	(2,380)	(1,335)
Profit for the period from continuing operations	6,397	2,662	6,397	2,662
Loss from discontinued operation	-	-	-	-
Profit for the period	6,397	2,662	6,397	2,662
Other Comprehensive Income:				
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	6,397	2,662	6,397	2,662
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	4,581	2,397	4,581	2,397
- loss from discontinued operations				
Non-Controlling Interest	1,816	265	1,816	265
Profit for the period	6,397	2,662	6,397	2,662
Total comprehensive income attributable to:				
Owners of the Parent	4,581	2,397	4,581	2,397
Non-Controlling Interest	1,816	265	1,816	265
	6,397	2,662	6,397	2,662
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	1.28	0.70	1.28	0.70

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31/03/2022 RM'000	Audited As at 31/12/2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	135,256	134,559
Investment properties	138,024	138,304
Right of use assets	13,904	14,290
Other investment	-	-
	287,184	287,153
Current Assets		
Inventories	76,851	81,436
Property development cost	9,219	9,147
Trade receivables	34,734	32,002
Other receivables	3,906	6,257
Tax recoverable	1,229	2,287
Short-term investments	14,252	14,343
Derivative financial assets	109	369
Fixed deposit with licensed banks	28,975	26,386
Cash and bank balances	37,007	32,653
	206,282	204,880
TOTAL ASSETS	493,466	492,033
EQUITY AND LIABILITIES		
Equity attributable to owner of the parents		
Share capital	206,368	206,368
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)	172,506	167,925
	392,338	387,757
Non-controlling interest	41,009	39,928
Total Equity	433,347	427,685
Non-current liabilities		
Deferred tax liabilities	9,129	9,129
Lease liabilities	3,535	4,626
Loan and borrowings	1,869	3,993
	14,533	17,748
Current Liabilities		
Trade payables	9,254	10,653
Other payables	8,910	10,852
Provision for liabilities	2,109	2,106
Lease liabilities	6,957	6,628
Loan and borrowings	17,611	15,995
Derivative financial liabilities	-	-
Tax Payable	745	366
	45,586	46,600
Total Liabilities	60,119	64,348
TOTAL EQUITY AND LIABILITIES	493,466	492,033
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.10	1.09

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021)



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

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

(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 Equity
			Share Premium	Treasury Shares	Reserve on consolidation	Asset revaluation reserves	Equity component from the replacement warrants	Retained Earnings/(Los ses)	Total	Non- Controlling Interest	
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 2022											
Balance as at 01.01.2022	206,368		-	-	13,464	-		167,925	387,757	39,928	427,685
Total comprehensive income for the period						-		4,581	4,581	1,816	6,397
Distribution of Dividends								-	-	-	-
Issuance of ordinary shares pursuant to:											
- Exercise of warrants	-								-		-
Dividend distributed to Non-Controlling Interest									-	(735)	(735)
Balance as at 31.3.2022	206,368	-	-	-	13,464	-	-	172,506	392,338	41,009	433,347
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 31.3.2021	201,188	-	-	-	13,464	-	-	162,615	377,267	39,059	416,326

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

(The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Cumulative Period	
	Current Year to date	Preceding Period Ended
	31/3/2022 RM'000	31/3/2021 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	8,777	3,997
Adjustments for :		
Depreciation, amortisation and impairment losses	1,789	1,612
Interest income	(188)	(175)
Interest expenses	285	400
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	(213)	(968)
Asset written off	2	-
Operating profit before changes in working capital	10,452	4,866
Net change in current assets	4,132	(5,120)
Net change in current liabilities	(3,338)	(4,825)
Cash flow from operation	11,246	(5,079)
Taxes paid	(964)	(772)
Taxes refunded	13	377
Net Cash Flows From Operating Activities	10,295	(5,474)
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(1,909)	(311)
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	283	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	(1,626)	983
Cash Flows From Financing Activities:		
Issue of ordinary shares	-	-
Acquisition of treasury shares	-	-
Distribution of Dividends	-	-
Proceed from exercised of Warrants	-	-
Bank borrowings and other liabilities (Net)	(508)	4,195
Repayment of hire purchase obligations	(287)	(1,088)
Dividends paid to non-controlling interest in subsidiary company	(735)	(490)
Net Cash Flows From Financing Activities	(1,530)	2,617
Net Increase in Cash and Cash Equivalents	7,139	(1,874)
Cash and Cash Equivalents at the beginning of the year	73,382	60,628
Effects of changes in foreign exchange rates	(287)	(221)
Cash and Cash Equivalents at end of the period	80,234	58,533
Cash and cash equivalent comprise the following:-		
Bank and cash balances	37,007	27,433
Short-term investments and Deposit with license bank	43,227	31,100
	80,234	58,533

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

(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 2021. 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 2021. 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 2021, 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 2021.

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 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

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

- MFRS 17 and Amendments to MFRS 17, Insurance Contracts
- Amendments to MFRS 17 and MFRS 9, Insurance Contracts – Initial Application of MFRS 17 and Comparative Information
- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction



INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

(The figures have not been audited)

(iii) 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 2021 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 2022.

7. Dividends Paid

There were no dividends declared and paid by the Company for the financial period ended 31 March 2022.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

(The figures have not been audited)

8. Segment Information

The Group's segment information for the financial period ended 31 March 2022 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
2022								
Revenue								
External Sales	-	27,434	33,148	6,206	-	187		66,975
Inter segmental sales	-	221	2,292	1,595	-	136	(4,244)	-
Total Revenue	-	27,655	35,440	7,801	-	323		66,975
Segments Profits/(Loss) Before Tax	(109)	2,938	5,461	1,334	(30)	489	(1,306)	8,777
Depreciation and amortisation	-	213	925	420	-	231		1,789
Rental income of land and buildings	-	760	445	998	-	-	(139)	2,064
Net foreign exchange	-	(132)	(155)	-	-	-		(287)
Gain/(loss) on disposal of property, plant and equipment	-	170	43	-	-	-		213
Finance cost	-	26	278	8	-	8	(35)	285
Interest Income	-	85	51	21	1	30		188
Tax Expenses	-	723	1,393	246	-	18		2,380
Segments Assets	415	115,521	163,798	160,313	12,403	44,859	(3,843)	493,466
Other Investment								-
Total Segments Assets								493,466
Segment Liabilities	3	10,232	34,933	9,109	54	6,096	(308)	60,119
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	(1,691)	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



INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

(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 2021.

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 2022 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 2022.

12. Contingent Liabilities – Unsecured

As at 31 March 2022, 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 RM6,712,370.00 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 2022

(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) 1/1/2022 to 31/12/2022 (RM ' 000)		Approved Value 28/09/2021 to next AGM (RM ' 000)		Balance due to / from the companies 31/3/2022 (RM ' 000)	
				Receivables	Payables	Receivables	Payables	Receivables	Payables
D M Timber Sdn Bhd ("DM")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		1,621		15,000		1
Lucky Star Diversified Sdn Bhd ("LSDSB")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		501		20,000		-
Minho Kilning (Klang) Sdn Bhd ("MKK")	⁽ⁱ⁾ Rental & Storage Charges	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		871		9,000		-
Minho Kilning (Klang) Sdn Bhd ("MKK")	^(v) Renting of equipment	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		24		500		-
Oak Three Sdn Bhd ("OT") (formerly known as QR Printing Sdn Bhd)	Insurance brokerage fee.	Syarikat Minho Kilning Sdn Bhd ("SMK")	Yearly		11		800		13
Ms. Loo Lay Hooi	^(iv) Rental	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		24		100		-
Mahawangsa Timber Industries Sdn Bhd ("MTI")	Sales of sawn timber and its related products.	LTI	Monthly	238		4,000		234	
	Purchase of logs.	LTI	Monthly		474		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		30		19,000		-
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		13		5,500		-
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")	⁽ⁱⁱⁱ⁾ 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	250	3,569	13,596	118,900	234	14

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

(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 2022	Q1 2021
	31/3/2022	31/3/2021
	RM'000	RM'000
Revenue		
Timber Extraction	-	-
Timber Trading	27,434	27,723
Manufacturing	33,148	22,475
Services & Treatment	6,206	6,232
Property Development	-	-
Others	187	814
	<u>66,975</u>	<u>57,244</u>
Segment Profit		
Timber Extraction	(109)	(81)
Timber Trading	2,938	868
Manufacturing	5,461	2,426
Services & Treatment	1,334	435
Property Development	(30)	(23)
Others	489	447
	10,083	4,072
Elimination	(1,306)	(75)
Profit before taxation	8,777	3,997
Taxation	(2,380)	(1,335)
Profit after taxation	6,397	2,662
Non-controlling interest	(1,816)	(265)
Net profit for the year	<u>4,581</u>	<u>2,397</u>

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

The Group disclosed total revenue of RM66.97 million for the current 3 months period ended 31 December 2022, RM9.73 million or 17% more than the RM57.24 million recorded in the corresponding 3 months period ended 31 December 2021. This increase was mainly attributed to the RM10.67 million increase in Manufacturing segment. This was partially offset by the total decrease of RM942 thousand in the turnover for Timber Trading, Services & Treatment and Others segments.

The group's pre-tax profit increased by RM4.78 million mainly due to the increase in pre-tax profit of RM2.07 million for the Timber Trading segment, RM3.03 million for the Manufacturing segment and RM899 thousand for the Services & Treatment segment. However, there were higher pre-tax losses of RM28 thousand for the Timber Extraction segment and RM7 thousand for the Property Development segment.

Timber Extraction

No logging was carried out in the current 3 months period ended 31 December 2022 and corresponding 3 months period ended 31 December 2021. As such, no revenue was recorded for this segment, i.e., it incurred a pre-tax loss of RM109 thousand.

Timber Trading

The turnover for this segment is slightly decreased by RM289. The pre-tax profit for this segment increased by RM2.07 million from a pre-tax profit of RM868 thousand in the corresponding 3 months period ended 31 December 2021 to RM2.93 million for the current 3 months period ended 31 December 2022 due to higher gross profit margin.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

(The figures have not been audited)

Manufacturing

Total turnover for this segment increased by RM10.67 million. The turnover for the manufacturing of industrial paper bags increased by RM1.78 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 RM8.89 million due to higher sales order from buyers. Pre-tax profit for this market segment increased by RM3.03 million from pre-tax profit RM2.42 million in the corresponding 3 months period ended 31 December 2021 to pre-tax profit RM5.46 million for the current 3 months period ended 31 December 2022. 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 RM2.73 million due to higher gross profit margin and rental income. The manufacturing of industrial paper bags increased its pre-tax profit by RM298 thousand due to loss of disposal of fixed asset previously.

Services & Treatment

The volume of timber for kiln drying decreased by 8% and service charges rates increased by 13% that resulted in a drop of RM26 thousand in the gross turnover for this market segment. The pre-tax profit for this segment increased by RM899 thousand from a pre-tax profit of RM435 thousand in the corresponding 3 months period ended 31 December 2021 to pre-tax profit of RM1.33 million for the current 3 months period ended 31 December 2022 due to higher gross profit margin.

Property Development

There were no revenue registered for the current 3 months period ended 31 March 2022 similar to the corresponding 3 months period ended 31 March 2021. It reported a pre-tax loss of RM30 thousand compared to a pre-tax loss of RM23 thousand previously.

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

Market Segments	Revenue		Segment Profit	
	<u>Q1 2022</u>	<u>Q4 2021</u>	<u>Q1 2022</u>	<u>Q4 2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Timber Extraction	-	413	(109)	162
Timber Trading	27,434	35,571	2,938	4,906
Manufacturing	33,148	32,908	5,461	2,416
Services & Treatment	6,206	7,529	1,334	1,015
Property Development	-	-	(30)	(33)
Others	187	647	489	(624)
	<u>66,975</u>	<u>77,068</u>	<u>10,083</u>	<u>7,842</u>
Elimination			(1,306)	(364)
Profit before taxation			8,777	7,478
Taxation			(2,380)	(284)
Profit after taxation			6,397	7,194
Non-controlling interest			(1,816)	(1,032)
Net profit for the year			4,581	6,162

The Group's turnover for the current quarter under review was RM66.97 million, which was RM10.09 million or 13% less than the RM77.06 million registered in the preceding quarter. All of the group's market segments recorded lower growth in their turnover except for the Manufacturing segment. It recorded a decrease of RM10.33 million in turnover. This was offset by the increase of RM240 thousand recorded by the Manufacturing segment.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

(The figures have not been audited)

The Group posted a pre-tax profit of RM8.77 million for the current quarter against the preceding quarter figure of pre-tax profit of RM7.47 million. The major contributors to the RM4.47 million increase in pre-tax profit for the current quarter were the Manufacturing, Services & Treatment and Others segments.

17. Prospects for Current Financial Year

The International Monetary Fund (“IMF”) in their latest publication of World Economic Outlook(WEO) Update April 2022 projected that the global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January. The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest.

In view of the turbulence in market conditions above, the Group adopts a conservative view going ahead. The Group intends to maintain a firm grip on its operations and activities so as to mitigate or minimize possible adverse economic conditions ahead.

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
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	RM'000	RM'000	RM'000	RM'000
Current taxation	(2,380)	(1,335)	(2,380)	(1,335)
(Over)/Under provision in respect of prior years	-	-	-	-
Foreign Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
	(2,380)	(1,335)	(2,380)	(1,335)
Our share of results of associated companies	-	-	-	-
	(2,380)	(1,335)	(2,380)	(1,335)

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.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

(The figures have not been audited)

20. Trade Receivables

	As at 31.3.2022 RM'000	As at 31.3.2021 RM'000
Trade receivables	35,720	31,322
Less: Allowance for impairment loss	(986)	(1,659)
	34,734	29,663

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

	As at 31.3.2022 RM'000	As at 31.3.2021 RM'000
Neither past due nor impaired	22,918	18,106
Past due not impaired:		
< 30 days	6,729	4,184
31 - 60 days	2,639	3,483
> 60 days	3,434	5,549
Gross trade receivables	35,720	31,322
Less: Allowance for impairment loss	(986)	(1,659)
	34,734	29,663

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 March 2022.

23. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 24 May 2022.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

(The figures have not been audited)

24. Group Borrowings

Total Group borrowings as at 31 March 2022 were as follows:-

	As at 1st. Quarter ended 31 March 2022		
	Long Term	Short Term	Total borrowings
	RM	RM	RM
Secured			
Property Loan	1,869		1,869
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts and Letter of Credits)		17,611	17,611
Unsecured	-	-	-
	As at 1st. Quarter ended 31 March 2021		
Secured			
Property Loan	8,720		8,720
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts and Letter of Credits)		24,254	24,254
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 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 has been postponed and further postpone to 21 and 22 February 2022. The Plaintiff described their points to the judge on 22 February 2022 and the Defendant's first witness and second witness will defend and counterclaims to the judge on 5 April 2022 and 5 July 2022 respectively.

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 2022 (2021: Nil).

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

(The figures have not been audited)

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
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
(a). Interest income	188	175	188	175
(b). Investment income	-	-	-	-
(c). Rental Income	2,064	1,877	2,064	1,877
(d). Interest expenses	(285)	(400)	(285)	(400)
(e). Depreciation & Amortisation	(1,789)	(1,612)	(1,789)	(1,612)
(f). Gain/(loss) on disposal of property, plant & equipment	213	968	213	968
(g). Property, plant & equipment written off	2	-	2	-
(h). Inventories write-down	-	-	-	-
(i). Provision for and write-off of receivables	-	-	-	-
(j). Provision for receivables write-back.	-	-	-	-
(k). Net foreign exchange gain/(loss)	(287)	(221)	(287)	(221)

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
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net earnings/(loss) attributable to the ordinary equity holders of the Company	4,581	2,397	4,581	2,397
Weighted average number of ordinary shares ('000)	356,724	340,538	356,724	340,538
Basic earnings/(loss) per share (sen)	1.28	0.70	1.28	0.70

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 2022.

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 31 May 2022.