



MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

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 - 15

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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>30/09/2022</u> <u>(RM'000)</u>	<u>30/09/2021</u> <u>(RM'000)</u>	<u>30/09/2022</u> <u>(RM'000)</u>	<u>30/09/2021</u> <u>(RM'000)</u>
Continuing Operations:				
Revenue	50,949	29,543	182,668	144,984
Cost of sales	(51,844)	(31,728)	(174,037)	(146,584)
Gross profit	(895)	(2,185)	8,631	(1,600)
Other operating income	3,736	1,886	9,384	7,933
Finance cost	(287)	(369)	(866)	(1,199)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	2,554	(668)	17,149	5,134
Income tax expense	(870)	(27)	(4,998)	(2,397)
Profit for the period from continuing operations	1,684	(695)	12,151	2,737
Loss from discontinued operation	-	-	-	-
Profit for the period	1,684	(695)	12,151	2,737
Other Comprehensive Income:				
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	1,684	(695)	12,151	2,737
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	1,049	(676)	8,418	1,946
- loss from discontinued operations				
Non-Controlling Interest	635	(19)	3,733	791
Profit for the period	1,684	(695)	12,151	2,737
Total comprehensive income attributable to:				
Owners of the Parent	1,049	(676)	8,418	1,946
Non-Controlling Interest	635	(19)	3,733	791
	1,684	(695)	12,151	2,737
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	0.29	(0.19)	2.36	0.55

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2022**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30/09/2022 RM'000	Audited As at 31/12/2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	141,887	134,559
Investment properties	137,461	138,304
Right of use assets	14,198	14,290
Other investment	-	-
	293,546	287,153
Current Assets		
Inventories	89,629	81,436
Property development cost	9,283	9,147
Trade receivables	24,912	32,002
Other receivables	5,230	6,257
Tax recoverable	1,527	2,287
Short-term investments	18,201	14,343
Derivative financial assets	109	369
Fixed deposit with licensed banks	28,684	26,386
Cash and bank balances	24,758	32,653
	202,333	204,880
TOTAL ASSETS	495,879	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)	176,343	167,925
	396,175	387,757
Non-controlling interest	40,508	39,928
Total Equity	436,683	427,685
Non-current liabilities		
Deferred tax liabilities	9,129	9,129
Lease liabilities	2,302	4,626
Loan and borrowings	-	3,993
	11,431	17,748
Current Liabilities		
Trade payables	10,139	10,653
Other payables	8,778	10,852
Provision for liabilities	2,109	2,106
Lease liabilities	7,256	6,628
Loan and borrowings	18,644	15,995
Derivative financial liabilities	-	-
Tax Payable	839	366
	47,765	46,600
Total Liabilities	59,196	64,348
TOTAL EQUITY AND LIABILITIES	495,879	492,033
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.11	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 THIRD QUARTER ENDED 30 SEPTEMBER 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	Non-Controlling Interest	Total Equity
			Share Premium	Treasury Shares	Reserve on consolidation	Asset revaluation reserves	Equity component from the replacement warrants	Retained Earnings/(Losses)					
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	
Period ended 30 September 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						-		8,418	8,418	3,733	12,151		
Non-controlling interest								-	-	32	32		
Issuance of ordinary shares pursuant to:													
- Exercise of warrants	-								-		-		
Dividend distributed to Non-Controlling Interest									-	(3,185)	(3,185)		
Balance as at 30.9.2022	206,368	-	-	-	13,464	-	-	176,343	396,175	40,508	436,683		
Period ended 30 September 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								1,946	1,946	791	2,737		
Non-controlling interest								-	-	-	-		
Issuance of ordinary shares pursuant to:													
- Exercise of warrants	5,180								5,180	-	5,180		
Dividend distributed to Non-Controlling Interest									-	(980)	(980)		
Balance as at 30.9.2021	206,368	-	-	-	13,464	-	-	162,164	381,996	39,095	421,091		

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2022**

(The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Cumulative Period	
	Current Year to date 30/9/2022 RM'000	Preceding Period Ended 30/9/2021 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	17,149	5,134
Adjustments for :		
Depreciation, amortisation and impairment losses	5,370	5,119
Interest income	(641)	(503)
Interest expenses	866	1,353
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	(420)	(1,091)
Asset written off	2	-
Operating profit before changes in working capital	22,326	10,012
Net change in current assets	1,575	7,191
Net change in current liabilities	(2,585)	(3,797)
Cash flow from operation	21,316	13,406
Taxes paid	(3,726)	(2,147)
Taxes refunded	13	377
Net Cash Flows From Operating Activities	17,603	11,636
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(8,406)	(1,194)
Purchase of freehold land	(3,744)	-
Purchased freehold land for property development	-	-
Purchase of financial assets	-	-
Acquisition of additional investment in a subsidiary	102	-
Proceeds from sale of non-current assets	489	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	(11,559)	100
Cash Flows From Financing Activities:		
Issue of ordinary shares	-	-
Acquisition of treasury shares	-	-
Distribution of Dividends	-	-
Proceed from exercised of Warrants	-	5,180
Bank borrowings and other liabilities (Net)	(1,614)	(7,827)
Repayment of hire purchase obligations	(2,697)	(3,028)
Dividends paid to non-controlling interest in subsidiary company	(3,185)	(980)
Net Cash Flows From Financing Activities	(7,496)	(6,655)
Net Increase in Cash and Cash Equivalents	(1,452)	5,081
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	71,643	65,488
Cash and cash equivalent comprise the following:-		
Bank and cash balances	24,758	29,781
Short-term investments and Deposit with license bank	46,885	35,707
	71,643	65,488

(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 THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 30 September 2022.

7. Dividends Paid

There were no dividends declared and paid by the Company for the financial period ended 30 September 2022.

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

(The figures have not been audited)

8. Segment Information

The Group's segment information for the financial period ended 30 September 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								
<i>External Sales</i>	783	71,371	91,186	18,731	-	597		182,668
<i>Inter segmental sales</i>	-	255	4,470	4,525	-	1,015	(10,265)	-
Total Revenue	783	71,626	95,656	23,256	-	1,612		182,668
Segments Profits/(Loss) Before Tax	237	6,825	8,841	2,759	(127)	2,882	(4,268)	17,149
Depreciation and amortisation	321	656	2,797	1,222	-	374		5,370
Rental income of land and buildings	-	3,082	1,773	2,996	-	-	(419)	7,432
Net foreign exchange	-	(132)	(155)	-	-	-		(287)
Gain/(loss) on disposal of property, plant and equipment	-	353	67	-	-	-		420
Finance cost	-	124	779	23	-	15	(75)	866
Interest Income	-	240	175	106	13	107		641
Tax Expenses	-	1,704	2,338	917	-	39		4,998
Segments Assets	10,174	117,262	161,926	160,184	12,357	37,450	(3,474)	495,879
Other Investment								-
Total Segments Assets								495,879
Segment Liabilities	2,627	10,565	34,456	8,624	105	3,126	(307)	59,196
2021								
Revenue								
<i>External Sales</i>	-	63,303	65,290	13,917	-	2,474		144,984
<i>Inter segmental sales</i>	-	1,548	3,605	3,115	-	357	(8,625)	-
Total Revenue	-	64,851	68,895	17,032	-	2,831		144,984
Segments Profits/(Loss) Before Tax	(272)	2,753	5,234	(1,708)	(43)	(298)	(532)	5,134
Depreciation and amortisation	-	557	2,564	1,228	-	770		5,119
Rental income of land and buildings	-	1,924	1,513	2,194	-	-	(363)	5,268
Net foreign exchange	-	(216)	(5)	-	-	-		(221)
Gain/(loss) on disposal of property, plant and equipment	-	-	1,049	42	-	-		1,091
Finance cost	-	242	1,049	37	-	24	(153)	1,199
Interest Income	-	198	106	96	19	84		503
Tax Expenses	-	776	1,510	-	-	111		2,397
Segments Assets	424	103,567	167,539	162,424	10,627	44,972	(1,808)	487,745
Other Investment								-
Total Segments Assets								487,745
Segment Liabilities	21	9,929	38,021	13,652	-	6,137	(1,106)	66,654



INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30 September 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 30 September 2022.

12. Contingent Liabilities – Unsecured

As at 30 September 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 RM8,339,033.24 were utilized.

13. Capital Commitments

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


INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 of Transaction For The Year 1/1/2022 to 31/12/2022 (RM ' 000)		Approved Value 28/06/2022 to next AGM (RM ' 000)		Balance due to / from the companies 30/9/2022 (RM ' 000)	
				Receivables	Payables	Receivables	Payables	Receivables	Payables
D M Timber Sdn Bhd ("DM")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		2,543		15,000		0
Lucky Star Diversified Sdn Bhd ("LSDSB")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		4,639		20,000		2,003
Minho Kilning (Klang) Sdn Bhd ("MKK")	⁽ⁱ⁾ Rental & Storage Charges	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		2,846		9,000		-
Minho Kilning (Klang) Sdn Bhd ("MKK")	^(v) Renting of equipment	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		72		500		-
Oak Three Sdn Bhd ("OT") (formerly known as QR Printing Sdn Bhd)	Insurance brokerage fee.	Syarikat Minho Kilning Sdn Bhd ("SMK")	Yearly		28		800		29
Ms. Loo Lay Hooi	^(iv) Rental	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		60		100		-
Mahawangsa Timber Industries Sdn Bhd ("MTI")	Sales of sawn timber and its related products.	LTI	Monthly	881		4,000		240	
	Purchase of logs.	LTI	Monthly		1,398		20,000		-
Pembinaan Infra E&S 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		1,988		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	783		9,500		-	
Lucky Star Diversified Sdn Bhd ("LSDSB")	⁽ⁱⁱⁱ⁾ Rental	Lionvest Corporation (Pahang) Sdn Bhd ("LCPSB")	Monthly	18		48		-	
D M Timber Sdn Bhd ("DM")	⁽ⁱⁱⁱ⁾ Rental	Lionvest Corporation (Pahang) Sdn Bhd ("LCPSB")	Monthly	18		48		-	
			Total	1,700	13,587	13,596	118,900	240	2,032

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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		9 MONTHS ENDED	
	Q3 2022	Q3 2021	Q3 2022	Q3 2021
	30/9/2022	30/9/2021	30/9/2022	30/9/2021
	RM'000	RM'000	RM'000	RM'000
Revenue				
Timber Extraction	-	-	783	-
Timber Trading	16,565	9,895	71,371	63,303
Manufacturing	27,302	15,605	91,186	65,290
Services & Treatment	6,867	3,423	18,731	13,917
Property Development	-	-	-	-
Others	215	620	597	2,474
	<u>50,949</u>	<u>29,543</u>	<u>182,668</u>	<u>144,984</u>
Segment Profit				
Timber Extraction	(123)	(151)	237	(272)
Timber Trading	1,618	201	6,825	2,753
Manufacturing	970	1,358	8,841	5,234
Services & Treatment	528	(1,584)	2,759	(1,708)
Property Development	(53)	-	(127)	(43)
Others	2,167	184	2,882	(298)
	<u>5,107</u>	<u>8</u>	<u>21,417</u>	<u>5,666</u>
Elimination	(2,553)	(676)	(4,268)	(532)
Profit before taxation	2,554	(668)	17,149	5,134
Taxation	(870)	(27)	(4,998)	(2,397)
Profit after taxation	1,684	(695)	12,151	2,737
Non-controlling interest	(635)	19	(3,733)	(791)
Net profit for the year	<u>1,049</u>	<u>(676)</u>	<u>8,418</u>	<u>1,946</u>

(a). Three months period-Q3 2022.

For the current quarter, the Group registered revenue of RM50.94 million, RM21.4 million higher as compared to Q3 2021. This increase was mainly attributed to the RM21.81 million total combined increases in turnover for the Timber Trading, Manufacturing and Services & Treatment market segments. This was partially offset by the decrease of RM405 thousand in the turnover for Others market segment.

The group's pre-tax profit increased by RM3.22 million, i.e. from pre-tax loss RM668 thousand to pre-tax profit RM2.55 million. Most of the Group's market segments recorded higher pre-tax profit. The Timber Extraction, Timber Trading, Services & Treatment and Others segments combined increase of RM5.54 million in the pre-tax profit was reduced by Manufacturing and Property Development segments which recorded total decrease of RM441 thousand in pre-tax profit.

(b). Nine months period and Year to date.

The Group disclosed total revenue of RM182.66 million for the current 9 months period ended 30 September 2022, RM37.68 million or 26% more than the RM144.98 million recorded in the corresponding 9 months period ended 30 September 2021. This increase was mainly attributed to the RM39.56 million increase in Timber Extraction, Timber Trading, Manufacturing and Services & Treatment segments. This was partially offset by the total decrease of RM1.87 million in the turnover for Others segment.

The group's pre-tax profit increased by RM12.01 million mainly due to the increase in pre-tax profit of RM509 thousand for the Timber Extraction segment, RM4.07 million for the Timber Trading segment, RM3.60 million for the Manufacturing segment, RM4.46 million for the Services & Treatment segment

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

(The figures have not been audited)

and RM3.18 million for the Others segment. However, there were higher pre-tax losses of RM84 thousand for the Property Development segment.

Timber Extraction

223.6 acres logged in the current 9 months period ended 30 September 2022 compared to no area logged in the corresponding 9 months period ended 30 September 2021. Revenue was recorded RM783 thousand for this segment, i.e., it incurred a pre-tax profit of RM237 thousand.

Timber Trading

The turnover for this segment is increased by RM8.06 million. The pre-tax profit for this segment increased by RM4.07 million from a pre-tax profit of RM2.75 million in the corresponding 9 months period ended 30 September 2021 to RM6.82 million for the current 9 months period ended 30 September 2022 due to higher sales and gain on disposal of fixed assets.

Manufacturing

Total turnover for this segment increased by RM25.89 million. The turnover for the manufacturing of industrial paper bags increased by RM6.01 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 RM19.88 million due to higher sales order from buyers. Pre-tax profit for this market segment increased by RM3.60 million from pre-tax profit RM5.23 million in the corresponding 9 months period ended 30 September 2021 to pre-tax profit RM8.84 million for the current 9 months period ended 30 September 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 RM3.39 million due to higher sales. The manufacturing of industrial paper bags increased its pre-tax profit by RM206 thousand due to higher gross profit.

Services & Treatment

The volume of timber for kiln drying increased by 23% and service charges rates increased by 11% that resulted in a increase of RM6.22 million in the gross turnover for this market segment. The pre-tax profit for this segment increased by RM4.46 million from a pre-tax loss of RM1.70 million in the corresponding 9 months period ended 30 September 2021 to pre-tax profit of RM2.75 million for the current 9 months period ended 30 September 2022 due to higher gross profit and rental income.

Property Development

There were no revenue registered for the current 9 months period ended 30 September 2022 similar to the corresponding 9 months period ended 30 September 2021. It reported a pre-tax loss of RM127 thousand compared to a pre-tax loss of RM43 thousand previously.

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

Market Segments	Revenue		Segment Profit	
	Q3 2022	Q2 2022	Q3 2022	Q2 2022
	RM'000	RM'000	RM'000	RM'000
Timber Extraction	-	783	(123)	469
Timber Trading	16,565	27,372	1,618	2,269
Manufacturing	27,302	30,736	970	2,410
Services & Treatment	6,867	5,658	528	897
Property Development	-	-	(53)	(44)
Others	215	195	2,167	226
	<u>50,949</u>	<u>64,744</u>	<u>5,107</u>	<u>6,227</u>
Elimination			(2,553)	(409)
Profit before taxation			2,554	5,818
Taxation			(870)	(1,748)
Profit after taxation			1,684	4,070
Non-controlling interest			(635)	(1,282)
Net profit for the year			1,049	2,788

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

(The figures have not been audited)

The Group's turnover for the current quarter under review was RM50.94 million, which was RM13.79 million or 21.3% less than the RM64.74 million registered in the preceding quarter. All of the group's market segments recorded lower growth in their turnover except for the Services & Treatment and Others segments. It recorded a decrease of RM15.02 million in turnover. This was offset by the increase of RM1.22 million recorded by the Services & Treatment and Others segments.

The Group posted a pre-tax profit of RM2.55 million for the current quarter against the preceding quarter figure of pre-tax profit of RM5.81 million. The major contributors to the RM3.26 million decrease in pre-tax profit for the current quarter were the Timber Extraction, Timber Trading, Manufacturing, Services & Treatment and Property Development segments.

17. Prospects for Current Financial Year

The International Monetary Fund ("IMF") in their latest publication of World Economic Outlook(WEO) Update October 2022 projected that global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.

In view of the uncertainty in market conditions above, the Group adopts a prudent view going ahead. The Group intends to strengthen efficiency and minimize cost 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
	30/9/2022	30/9/2021	30/9/2022	30/9/2021
	RM'000	RM'000	RM'000	RM'000
Current taxation	(870)	(27)	(4,998)	(2,397)
(Over)/Under provision in respect of prior years	-	-	-	-
Foreign Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
	(870)	(27)	(4,998)	(2,397)
Our share of results of associated companies	-	-	-	-
	(870)	(27)	(4,998)	(2,397)

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 THIRD QUARTER ENDED 30 SEPTEMBER 2022**

(The figures have not been audited)

20. Trade Receivables

	As at 30.9.2022 RM'000	As at 30.9.2021 RM'000
Trade receivables	25,898	26,446
Less: Allowance for impairment loss	(986)	(1,659)
	24,912	24,787

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

	As at 30.9.2022 RM'000	As at 30.9.2021 RM'000
Neither past due nor impaired	14,220	15,958
Past due not impaired:		
< 30 days	6,566	2,426
31 - 60 days	2,715	1,237
> 60 days	2,397	6,825
Gross trade receivables	25,898	26,446
Less: Allowance for impairment loss	(986)	(1,659)
	24,912	24,787

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 30 September 2022.

23. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 23 November 2022.

24. Group Borrowings

Total Group borrowings as at 30 September 2022 were as follows:-

	As at 3rd. Quarter ended 30 September 2022		
	Long Term	Short Term	Total borrowings
	RM	RM	RM
Secured			
Property Loan	-		-
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts and Letter of Credits)		18,644	18,644
Unsecured	-	-	-
	As at 3rd. Quarter ended 30 September 2021		
Secured			
Property Loan	1,464		1,464
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts and Letter of Credits)		19,581	19,581
Unsecured	-	-	-

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

(The figures have not been audited)

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 23 November 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.

The judge unable to attend the Court on 5 July 2022. Therefore, Defendant's second witness will present his points to the judge on 18 October 2022. However, the continued hearing on 18 October 2022 is postponed to 9 January 2023.

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 30 September 2022 (2021: Nil).

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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
	30/9/2022	30/9/2021	30/9/2022	30/9/2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
(a). Interest income	250	234	641	503
(b). Investment income	-	-	-	-
(c). Rental Income	2,980	1,534	7,432	5,268
(d). Interest expenses	(287)	(369)	(866)	(1,199)
(e). Depreciation & Amortisation	(1,817)	(1,686)	(5,370)	(5,119)
(f). Gain/(loss) on disposal of property, plant & equipment	207	42	420	1,091
(g). Property, plant & equipment written off	-	-	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)

29. Earning/ (Loss) Per Share

(a) Basic earnings/ (loss) per share

	Individual Quarter		Cumulative Period	
	Current Year	Preceding Year	Current Year to	Preceding
	Quarter	Corresponding	date	Period Ended
	30/9/2022	30/9/2021	30/9/2022	30/9/2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net earnings/(loss) attributable to the ordinary equity holders of the Company	1,049	(676)	8,418	1,946
Weighted average number of ordinary shares ('000)	356,724	356,724	356,724	356,724
Basic earnings/(loss) per share (sen)	0.29	(0.19)	2.36	0.55

30. Authorisation for issue

This interim financial information has been approved for issue in accordance with a resolution of the Board of Directors dated 30 November 2022.

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 30 November 2022.