



# **MINHO (M) BERHAD**

Registration No. 199001009358 (200930-H)

## **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

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**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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>31/12/2022</u> <u>(RM'000)</u>	<u>31/12/2021</u> <u>(RM'000)</u>	<u>31/12/2022</u> <u>(RM'000)</u>	<u>31/12/2021</u> <u>(RM'000)</u>
<b>Continuing Operations:</b>				
<b>Revenue</b>	44,628	77,068	227,296	222,052
Cost of sales	(48,793)	(75,210)	(222,830)	(221,794)
Gross profit	(4,165)	1,858	4,466	258
Other operating income	7,025	6,136	16,409	14,069
Finance cost	(425)	(516)	(1,291)	(1,715)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	2,435	7,478	19,584	12,612
Income tax expense	(3,316)	(284)	(8,314)	(2,681)
<b>Profit for the period from continuing operations</b>	(881)	7,194	11,270	9,931
<b>Loss from discontinued operation</b>	-	-	-	-
<b>Profit for the period</b>	(881)	7,194	11,270	9,931
<b>Other Comprehensive Income:</b>				
<b>Other Comprehensive Income net of tax</b>	-	-	-	-
<b>Total Comprehensive Income for the period</b>	(881)	7,194	11,270	9,931
<b>Net Profit/(loss) attributable to:</b>				
Owners of the Parent				
- income from continuing operations	(933)	6,162	7,485	8,108
- loss from discontinued operations				
Non-Controlling Interest	52	1,032	3,785	1,823
Profit for the period	(881)	7,194	11,270	9,931
<b>Total comprehensive income attributable to:</b>				
Owners of the Parent	(933)	6,162	7,485	8,108
Non-Controlling Interest	52	1,032	3,785	1,823
	(881)	7,194	11,270	9,931
<b>Earnings/(Loss) per share (in sen)</b>				
Basic EPS (in sen)	(0.26)	1.73	2.10	2.27

(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 FOURTH QUARTER ENDED 31 DECEMBER 2022**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited As at 31/12/2022 RM'000</b>	<b>Audited As at 31/12/2021 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	126,458	134,559
Investment properties	160,163	138,304
Right of use assets	23,798	14,290
Land held for investment	2,500	-
	<b>312,919</b>	<b>287,153</b>
<b>Current Assets</b>		
Inventories	88,686	81,436
Property development cost	-	9,147
Trade receivables	22,551	32,002
Other receivables	6,253	6,257
Tax recoverable	1,900	2,287
Short-term investments	18,340	14,343
Derivative financial assets	126	369
Fixed deposit with licensed banks	28,274	26,386
Cash and bank balances	19,825	32,653
	<b>185,955</b>	<b>204,880</b>
<b>TOTAL ASSETS</b>	<b>498,874</b>	<b>492,033</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owner of the parents</b>		
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)	175,410	167,925
	<b>395,242</b>	<b>387,757</b>
<b>Non-controlling interest</b>	<b>40,628</b>	<b>39,928</b>
<b>Total Equity</b>	<b>435,870</b>	<b>427,685</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	11,489	9,129
Lease liabilities	11,745	4,626
Loan and borrowings	1,278	3,993
	<b>24,512</b>	<b>17,748</b>
<b>Current Liabilities</b>		
Trade payables	9,380	10,653
Other payables	10,268	10,852
Provision for liabilities	126	2,106
Lease liabilities	8,260	6,628
Loan and borrowings	10,118	15,995
Derivative financial liabilities	-	-
Tax Payable	340	366
	<b>38,492</b>	<b>46,600</b>
<b>Total Liabilities</b>	<b>63,004</b>	<b>64,348</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>498,874</b>	<b>492,033</b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<b>1.11</b>	<b>1.09</b>

(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**<sub>199001009358(200930 – H)</sub>  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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	
<b>Period ended 31 December 2022</b>											
<b>Balance as at 01.01.2022</b>	206,368		-	-	13,464	-	-	167,925	387,757	39,928	427,685
Total comprehensive income for the period						-		7,485	7,485	3,785	11,270
Non-controlling interest								-	-	100	100
Issuance of ordinary shares pursuant to:											
- Exercise of warrants	-								-		-
Dividend distributed to Non-Controlling Interest									-	(3,185)	(3,185)
<b>Balance as at 31.12.2022</b>	206,368	-	-	-	13,464	-	-	175,410	395,242	40,628	435,870
<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
Non-controlling interest								-	-	-	-
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

(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 FOURTH QUARTER ENDED 31 DECEMBER 2022**

(The figures have not been audited)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Cumulative Period	
	Current Year to date 31/12/2022 RM'000	Preceding Period Ended 31/12/2021 RM'000
<b>Cash Flows From Operating Activities</b>		
<b>Profit/(Loss) before taxation</b>	19,584	12,612
Adjustments for :		
Depreciation, amortisation and impairment losses	11,231	7,447
Interest income	(672)	(665)
Interest expenses	1,291	1,715
Share of profit in associates	-	-
Fair value gain of financial instruments measured at fair	-	-
Provision:		
Provision for doubtful debts	602	399
Write back of provision for doubtful debts	(394)	(972)
Write down of inventories	933	-
Write back of stock value	(954)	(1,941)
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	(451)	(1,538)
Asset written off	2	188
Operating profit before changes in working capital	31,172	17,245
Net change in current assets	11,743	8,406
Net change in current liabilities	(3,837)	(1,913)
Cash flow from operation	39,078	23,738
Taxes paid	(7,252)	(3,453)
Taxes refunded	60	377
<b>Net Cash Flows From Operating Activities</b>	<b>31,886</b>	<b>20,662</b>
<b>Cash Flows From Investing Activities:</b>		
Purchase of PPE and investment property	(12,939)	(2,446)
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	741	1,866
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>(15,840)</b>	<b>(580)</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)	(11,742)	(7,580)
Repayment of hire purchase obligations	(8,161)	(3,962)
Dividends paid to non-controlling interest in subsidiary company	(3,185)	(980)
<b>Net Cash Flows From Financing Activities</b>	<b>(23,088)</b>	<b>(7,342)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(7,042)</b>	<b>12,740</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>73,382</b>	<b>60,628</b>
<b>Effects of changes in foreign exchange rates</b>	<b>99</b>	<b>14</b>
<b>Cash and Cash Equivalents at end of the period</b>	<b>66,439</b>	<b>73,382</b>
<b>Cash and cash equivalent comprise the following:-</b>		
Bank and cash balances	19,825	32,653
Short-term investments and Deposit with license bank	46,614	40,729
	<b>66,439</b>	<b>73,382</b>

*(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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 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 December 2022.

**7. Dividends Paid**

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

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

(The figures have not been audited)

**8. Segment Information**

The Group's segment information for the financial period ended 31 December 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
<b>2022</b>								
<b>Revenue</b>								
External Sales	783	82,067	117,283	26,179	-	984		227,296
Inter segmental sales	-	255	5,810	5,915	-	4,270	(16,250)	-
Total Revenue	783	82,322	123,093	32,094	-	5,254		227,296
Segments Profits/(Loss) Before Tax	281	7,095	9,817	3,656	(425)	7,015	(7,855)	19,584
Depreciation and amortisation	276	840	3,588	5,893	9	625		11,231
Rental income of land and buildings	-	3,763	3,221	4,043	-	-	(630)	10,397
Net foreign exchange	-	(39)	138	-	-	-		99
Gain/(loss) on disposal of property, plant and equipment	-	353	30	68	-	-		451
Finance cost	-	129	1,076	182	-	13	(109)	1,291
Interest Income	-	268	296	190	17	35	(134)	672
Tax Expenses	-	2,239	3,204	2,828	-	43		8,314
Segments Assets	8,212	106,833	163,579	173,337	12,086	37,943	(3,116)	498,874
Other Investment								-
Total Segments Assets								498,874
Segment Liabilities	1,331	11,772	25,544	22,636	132	2,154	(565)	63,004
<b>2021</b>								
<b>Revenue</b>								
External Sales	413	98,874	98,198	21,446	-	3,121		222,052
Inter segmental sales	-	2,705	5,052	4,713	-	488	(12,958)	-
Total Revenue	413	101,579	103,250	26,159	-	3,609		222,052
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								-
Total Segments Assets								491,064
Segment Liabilities	560	10,802	36,818	10,663	46	5,380	(1,292)	62,977





**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

(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 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 December 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 December 2022.

**12. Contingent Liabilities – Unsecured**

As at 31 December 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 RM6,206,393.09 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 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 28/06/2022 to next AGM ( RM ' 000)		Balance due to / from the companies 31/12/2022 ( 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		-
Lucky Star Diversified Sdn Bhd ("LSDSB")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		5,721		20,000		-
Minho Kilning (Klang) Sdn Bhd ("MKK")	<sup>(i)</sup> Rental & Storage Charges	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		3,951		9,000		-
Minho Kilning (Klang) Sdn Bhd ("MKK")	<sup>(v)</sup> Renting of equipment	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		96		500		-
Oak Three Sdn Bhd ("OT") (formerly known as QR Printing Sdn Bhd)	Insurance brokerage fee.	Syarikat Minho Kilning Sdn Bhd ("SMK")	Yearly		32		800		22
Ms. Loo Lay Hooi	<sup>(iv)</sup> Rental	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		78		100		-
Mahawangsa Timber Industries Sdn Bhd ("MTI")	Sales of sawn timber and its related products.	LTI	Monthly	967		4,000		-	
	Purchase of logs.	LTI	Monthly		1,721		20,000		13
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		3,104		19,000		-
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		13		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	783		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		-	
			Total	1,798	17,259	13,596	118,900	-	35

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

	<b>3 MONTHS ENDED</b>		<b>12 MONTHS ENDED</b>	
	<b>Q4 2022</b>	<b>Q4 2021</b>	<b>Q4 2022</b>	<b>Q4 2021</b>
	<b>31/12/2022</b>	<b>31/12/2021</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
Timber Extraction	-	413	783	413
Timber Trading	10,696	35,571	82,067	98,874
Manufacturing	26,097	32,908	117,283	98,198
Services & Treatment	7,448	7,529	26,179	21,446
Property Development	-	-	-	-
Others	387	647	984	3,121
	<u>44,628</u>	<u>77,068</u>	<u>227,296</u>	<u>222,052</u>
<b>Segment Profit</b>				
Timber Extraction	44	162	281	(110)
Timber Trading	270	4,906	7,095	7,659
Manufacturing	976	2,416	9,817	7,650
Services & Treatment	897	1,015	3,656	(693)
Property Development	(298)	(33)	(425)	(76)
Others	4,133	(624)	7,015	(922)
	<u>6,022</u>	<u>7,842</u>	<u>27,439</u>	<u>13,508</u>
Elimination	(3,587)	(364)	(7,855)	(896)
Profit before taxation	<u>2,435</u>	<u>7,478</u>	<u>19,584</u>	<u>12,612</u>
Taxation	(3,316)	(284)	(8,314)	(2,681)
Profit after taxation	<u>(881)</u>	<u>7,194</u>	<u>11,270</u>	<u>9,931</u>
Non-controlling interest	(52)	(1,032)	(3,785)	(1,823)
Net profit for the year	<u>(933)</u>	<u>6,162</u>	<u>7,485</u>	<u>8,108</u>

**(a). Three months period-Q4 2022.**

For the current quarter, the Group registered revenue of RM44.62 million, RM32.44 million lower as compared to Q4 2021. This decrease was mainly attributed to the RM32.44 million total combined decreases in turnover for all market segments.

The group's pre-tax profit decreased by RM5.04 million, i.e. from pre-tax profit RM7.47 million to pre-tax profit RM2.43 million. Most of the Group's market segments recorded lower pre-tax profit. The Timber Extraction, Timber Trading, Manufacturing and Services & Treatment segments combined decrease of RM6.31 million in the pre-tax profit.

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

The Group disclosed total revenue of RM227.29 million for the current 12 months period ended 31 December 2022, RM5.24 million or 2% more than the RM222.05 million recorded in the corresponding 12 months period ended 31 December 2021. This increase was mainly attributed to the RM24.18 million increase in Timber Extraction, Manufacturing and Services & Treatment segments. This was partially offset by the total decrease of RM18.84 million in the turnover for Timber Trading and Others segments.

The group's pre-tax profit increased by RM6.97 million mainly due to the increase in pre-tax profit of RM391 thousand for the Timber Extraction segment, RM2.16 million for the Manufacturing segment and RM4.34 million for the Services & Treatment segment. However, there was higher pre-tax loss of RM349 thousand for the Property Development segment.

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

(The figures have not been audited)

**Timber Extraction**

223.6 acres logged in the current 12 months period ended 31 December 2022 compared to 111 acres logged in the corresponding 12 months period ended 31 December 2021. Revenue was recorded RM783 thousand for this segment, i.e., it incurred a pre-tax profit of RM281 thousand.

**Timber Trading**

The turnover for this segment is decreased by RM16.80 million. The pre-tax profit for this segment decreased by RM564 thousand from a pre-tax profit of RM7.65 million in the corresponding 12 months period ended 31 December 2021 to RM7.09 million for the current 12 months period ended 31 December 2022 due to lower selling and distribution expenses and higher rental income.

**Manufacturing**

Total turnover for this segment increased by RM19.08 million. The turnover for the manufacturing of industrial paper bags increased by RM6.78 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 RM12.3 million due to higher sales order from buyers. Pre-tax profit for this market segment increased by RM2.16 million from pre-tax profit RM7.65 million in the corresponding 12 months period ended 31 December 2021 to pre-tax profit RM9.81 million for the current 12 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 RM1.64 million due to higher sales. The manufacturing of industrial paper bags decreased its pre-tax profit by RM521 thousand due to higher selling and distribution expenses.

**Services & Treatment**

The volume of timber for kiln drying increased by 13% and service charges rates increased by 8% that resulted in a increase of RM4.73 million in the gross turnover for this market segment. The pre-tax profit for this segment increased by RM4.34 million from a pre-tax loss of RM693 thousand in the corresponding 12 months period ended 31 December 2021 to pre-tax profit of RM3.65 million for the current 12 months period ended 31 December 2022 due to higher gross profit and rental income.

**Property Development**

There were no revenue registered for the current 12 months period ended 31 December 2022 similar to the corresponding 12 months period ended 31 December 2021. It reported a pre-tax loss of RM425 thousand compared to a pre-tax loss of RM76 thousand previously.

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

Market Segments	Revenue		Segment Profit	
	Q4 2022 RM'000	Q3 2022 RM'000	Q4 2022 RM'000	Q3 2022 RM'000
Timber Extraction	-	-	44	(123)
Timber Trading	10,696	16,565	270	1,618
Manufacturing	26,097	27,302	976	970
Services & Treatment	7,448	6,867	897	528
Property Development	-	-	(298)	(53)
Others	387	215	4,133	2,167
	<u>44,628</u>	<u>50,949</u>	<u>6,022</u>	<u>5,107</u>
Elimination			(3,587)	(2,553)
<b>Profit before taxation</b>			<b>2,435</b>	<b>2,554</b>
Taxation			(3,316)	(870)
<b>Profit after taxation</b>			<b>(881)</b>	<b>1,684</b>
Non-controlling interest			(52)	(635)
<b>Net profit for the year</b>			<b>(933)</b>	<b>1,049</b>

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

(The figures have not been audited)

The Group’s turnover for the current quarter under review was RM44.62 million, which was RM6.32 million or 12.4% less than the RM50.94 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 RM7.07 million in turnover. This was offset by the increase of RM753 thousand recorded by the Services & Treatment and Others segments.

The Group posted a pre-tax profit of RM2.43 million for the current quarter against the preceding quarter figure of pre-tax profit of RM2.55 million. The major contributor to the RM119 thousand decrease in pre-tax profit for the current quarter was the Timber Trading segment.

**17. Prospects for Current Financial Year**

The International Monetary Fund (“IMF”) in their latest publication of World Economic Outlook(WEO) update January 2023 projected that the rise in central bank rates to fight inflation and Russia’s war in Ukraine continue to weigh on economic activity. Global inflation is expected to fall from 8.8 percent in 2022 to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic (2017–19) levels of about 3.5 percent.

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.

**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	Preceding year	Current year	Preceding year
	quarter	corresponding	to date	corresponding
	31/12/2022	quarter	31/12/2022	period
	RM’000	31/12/2021	31/12/2021	31/12/2021
	RM’000	RM’000	RM’000	RM’000
Current taxation	(3,316)	(284)	(8,314)	(2,681)
(Over)/Under provision in respect of prior years	-	-	-	-
Foreign Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
	(3,316)	(284)	(8,314)	(2,681)
Our share of results of associated companies	-	-	-	-
	(3,316)	(284)	(8,314)	(2,681)

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 FOURTH QUARTER ENDED 31 DECEMBER 2022**

(The figures have not been audited)

**20. Trade Receivables**

	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
Trade receivables	23,537	33,661
Less: Allowance for impairment loss	(986)	(1,659)
	<b>22,551</b>	<b>32,002</b>

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

	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
Neither past due nor impaired	12,974	20,505
Past due not impaired:		
< 30 days	5,007	5,517
31 - 60 days	2,812	3,315
> 60 days	2,744	4,324
Gross trade receivables	23,537	33,661
Less: Allowance for impairment loss	(986)	(1,659)
	<b>22,551</b>	<b>32,002</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 2022.

**23. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 21 February 2023.

**24. Group Borrowings**

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

	As at 4th. Quarter ended 31 December 2022		
	Long Term	Short Term	Total borrowings
	RM	RM	RM
<b>Secured</b>			
Property Loan	1,278		1,278
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts and Letter of Credits)		10,118	10,118
<b>Unsecured</b>	-	-	-
	As at 4th. Quarter ended 31 December 2021		
<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>	-	-	-

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

After all the hearings, the Court has fixed the Trial on 13 March 2023 and 17 March 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 31 December 2022 (2021: Nil).

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
(a). Interest income	31	162	672	665
(b). Investment income	-	-	-	-
(c). Rental Income	2,965	1,274	10,397	6,542
(d). Interest expenses	(425)	(516)	(1,291)	(1,715)
(e). Depreciation & Amortisation	(5,861)	(2,328)	(11,231)	(7,447)
(f). Gain/(loss) on disposal of property, plant & equipment	31	447	451	1,538
(g). Property, plant & equipment written off	-	188	2	188
(h). Inventories write-down	(933)	-	(933)	-
(i). Provision for and write-off of receivables	(602)	(399)	(602)	(399)
(j). Provision for receivables write-back.	394	972	394	972
(k). Net foreign exchange gain/(loss)	386	235	99	14

**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
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net earnings/(loss) attributable to the ordinary equity holders of the Company	(933)	6,162	7,485	8,108
Weighted average number of ordinary shares ('000)	356,724	356,724	356,724	356,724
Basic earnings/(loss) per share (sen)	(0.26)	1.73	2.10	2.27

**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 2023.

**By order of the Board**

Klang, Selangor Darul Ehsan.

Dated: 28 February 2023.