



MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

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**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>Current Year</u>	<u>Preceding Year</u>	<u>Current Year</u>	<u>Preceding</u>
	<u>Quarter</u>	<u>Corresponding</u>	<u>to date</u>	<u>Period</u>
	<u>31/3/2023</u>	<u>31/3/2022</u>	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>
Continuing Operations:				
Revenue	47,882	66,975	47,882	66,975
Cost of sales	(47,431)	(60,718)	(47,431)	(60,718)
Gross profit	451	6,257	451	6,257
Other operating income	3,772	2,805	3,772	2,805
Finance cost	(261)	(285)	(261)	(285)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	3,962	8,777	3,962	8,777
Income tax expense	(1,121)	(2,380)	(1,121)	(2,380)
Profit for the period from continuing operations	2,841	6,397	2,841	6,397
Loss from discontinued operation	-	-	-	-
Profit for the period	2,841	6,397	2,841	6,397
Other Comprehensive Income:				
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	2,841	6,397	2,841	6,397
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	2,316	4,581	2,316	4,581
- loss from discontinued operations	-	-	-	-
Non-Controlling Interest	525	1,816	525	1,816
Profit for the period	2,841	6,397	2,841	6,397
Total comprehensive income attributable to:				
Owners of the Parent				
Non-Controlling Interest	525	1,816	525	1,816
	2,841	6,397	2,841	6,397
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)				
	0.65	1.28	0.65	1.28

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31/3/2023 RM'000	Audited As at 31/12/2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	125,918	125,838
Investment properties	168,941	160,162
Right of use assets	23,081	23,818
Land held for investment	2,500	2,500
	320,440	312,318
Current Assets		
Inventories	84,675	88,686
Property development cost	-	-
Trade receivables	23,061	22,551
Other receivables	4,881	5,790
Tax recoverable	2,240	1,900
Short-term investments	10,065	18,340
Derivative financial assets	109	126
Fixed deposit with licensed banks	22,509	28,274
Cash and bank balances	30,841	21,077
	178,381	186,744
TOTAL ASSETS	498,821	499,062
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)	177,725	175,409
	397,557	395,241
Non-controlling interest	39,563	40,623
Total Equity	437,120	435,864
Non-current liabilities		
Deferred tax liabilities	11,489	11,489
Lease liabilities	10,611	11,745
Loan and borrowings	2,733	2,063
	24,833	25,297
Current Liabilities		
Trade payables	5,516	8,441
Other payables	9,126	10,148
Provision for liabilities	126	127
Lease liabilities	8,421	8,260
Loan and borrowings	13,288	10,585
Derivative financial liabilities	-	-
Tax Payable	391	340
	36,868	37,901
Total Liabilities	61,701	63,198
TOTAL EQUITY AND LIABILITIES	498,821	499,062
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.11	1.11

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022)



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

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

(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		Non- Controlling Interest	Total Equity
			Share Premium	Treasury Shares	Reserve on consolidation	Asset revaluation reserves	Equity component from the replacement warrants	Retained Earnings/(Los ses)	Total		
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 2023											
Balance as at 01.01.2023	206,368		-	-	13,464	-		175,409	395,241	40,623	435,864
Total comprehensive income for the period						-		2,316	2,316	525	2,841
Non-controlling interest								-	-	-	-
Issuance of ordinary shares pursuant to:											
- Exercise of warrants	-								-		-
Dividend distributed to Non-Controlling Interest									-	(1,585)	(1,585)
Balance as at 31.3.2023	206,368	-	-	-	13,464	-	-	177,725	397,557	39,563	437,120
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
Non-controlling interest								-	-	-	-
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

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

(The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Cumulative Period	
	Current Year to date 31/3/2023 RM'000	Preceding Period Ended 31/3/2022 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	3,962	8,777
Adjustments for :		
Depreciation, amortisation and impairment losses	1,704	1,789
Interest income	(140)	(188)
Interest expenses	261	285
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	(176)	(213)
Asset written off	-	2
Operating profit before changes in working capital	5,611	10,452
Net change in current assets	4,979	4,132
Net change in current liabilities	(3,948)	(3,338)
Cash flow from operation	6,642	11,246
Taxes paid	(1,449)	(964)
Taxes refunded	-	13
Net Cash Flows From Operating Activities	5,193	10,295
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(2,981)	(1,909)
Purchase of freehold land	(5,400)	-
Purchased freehold land for property development	-	-
Purchase of financial assets	-	-
Acquisition of additional investment in a subsidiary	(4,000)	-
Proceeds from sale of non-current assets	176	283
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	(12,205)	(1,626)
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)	5,475	(508)
Repayment of hire purchase obligations	(768)	(287)
Dividends paid to non-controlling interest in subsidiary company	(1,585)	(735)
Net Cash Flows From Financing Activities	3,122	(1,530)
Net Increase in Cash and Cash Equivalents	(3,890)	7,139
Cash and Cash Equivalents at the beginning of the year	67,691	73,382
Effects of changes in foreign exchange rates	(386)	(287)
Cash and Cash Equivalents at end of the period	63,415	80,234
Cash and cash equivalent comprise the following:-		
Bank and cash balances	30,841	37,007
Short-term investments and Deposit with license bank	32,574	43,227
	63,415	80,234

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

(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 2022. 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 2022. 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 2022, 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 2022.

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 2023

- MFRS 17 and Amendments to MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 - 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

(ii) Effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, Lease – Lease liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements – Non-current Liabilities and Covenants

(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



INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

(The figures have not been audited)

2. Auditors' Report On Preceding Annual Financial Statements

The auditors' report of the audited financial statements for the financial year ended 31 December 2022 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 2023.

7. Dividends Paid

There were no dividends declared and paid by the Company for the financial period ended 31 March 2023.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

(The figures have not been audited)

8. Segment Information

The Group's segment information for the financial period ended 31 March 2023 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
2023								
Revenue								
External Sales	-	18,883	22,266	6,498	-	235		47,882
Inter segmental sales	-	880	731	1,043	-	8,350	(11,004)	-
Total Revenue	-	19,763	22,997	7,541	-	8,585		47,882
Segments Profits/(Loss) Before Tax	(42)	2,357	1,215	761	47	8,152	(8,528)	3,962
Depreciation and amortisation	-	330	707	478	6	183		1,704
Rental income of land and buildings	-	1,845	353	1,178	90	-	(500)	2,966
Net foreign exchange	-	(93)	(293)	-	-	-		(386)
Gain/(loss) on disposal of property, plant and equipment	-	43	128	5	-	-		176
Finance cost	-	84	179	5	-	-	(7)	261
Interest Income	-	54	71	1	7	7	-	140
Tax Expenses	-	592	324	183	-	22		1,121
Segments Assets	403	143,839	125,668	173,432	12,110	47,007	(3,638)	498,821
Other Investment								-
Total Segments Assets								498,821
Segment Liabilities	3	14,492	22,264	21,749	109	3,649	(565)	61,701
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



INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

(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 2022.

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 March 2023.

12. Contingent Liabilities – Unsecured

As at 31 March 2023, the Company had contingent liabilities in the form of corporate guarantees given to financial institutions in respect of facilities granted to subsidiary companies amounting to RM90,313,000.00, of which an amount of RM7,455,513.01 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 2023

(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 1/1/2023 to 31/03/2023 (RM ' 000)		Approved Value 28/06/2022 to next AGM (RM ' 000)		Balance due to / from the companies 31/3/2023 (RM ' 000)	
				Receivables	Payables	Receivable	Payables	Receivable	Payables
D M Timber Sdn Bhd ("DM")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		728		15,000		-
Lucky Star Diversified Sdn Bhd ("LSDSB")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		1,423		20,000		-
Minho Kilning (Klang) Sdn Bhd ("MKK")	⁽ⁱ⁾ Rental & Storage Charges	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		1,335		9,000		-
Minho Kilning (Klang) Sdn Bhd ("MKK")	^(v) Renting of equipment	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		-		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		22
Ms. Loo Lay Hooi	^(iv) Rental	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		18		100		-
Mahawangsa Timber Industries Sdn Bhd ("MTI")	Sales of sawn timber and its related products.	LTI	Monthly	297		4,000		-	
	Purchase of logs.	LTI	Monthly		215		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	^(a) Purchase of timber.	Costraco Sdn Bhd ("CSB")	Monthly		213		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		-		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")	⁽ⁱⁱ⁾ Rental	Lionvest Corporation (Pahang) Sdn Bhd ("LCPSB")	Monthly	6		48		-	
D M Timber Sdn Bhd ("DM")	⁽ⁱⁱⁱ⁾ Rental	Lionvest Corporation (Pahang) Sdn Bhd ("LCPSB")	Monthly	24		48		-	
			Total	327	3,942	13,596	118,900	-	35

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

(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 2023	Q1 2022
	31/3/2023	31/3/2022
	RM'000	RM'000
Revenue		
Timber Extraction	-	-
Timber Trading	18,883	27,434
Manufacturing	22,266	33,148
Services & Treatment	6,498	6,206
Property Development	-	-
Others	235	187
	<u>47,882</u>	<u>66,975</u>
Segment Profit		
Timber Extraction	(42)	(109)
Timber Trading	2,357	2,938
Manufacturing	1,215	5,461
Services & Treatment	761	1,334
Property Development	47	(30)
Others	8,152	489
	<u>12,490</u>	<u>10,083</u>
Elimination	<u>(8,528)</u>	<u>(1,306)</u>
Profit before taxation	3,962	8,777
Taxation	<u>(1,121)</u>	<u>(2,380)</u>
Profit after taxation	2,841	6,397
Non-controlling interest	<u>(525)</u>	<u>(1,816)</u>
Net profit for the year	<u>2,316</u>	<u>4,581</u>

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

The Group disclosed total revenue of RM47.88 million for the current 3 months period ended 31 March 2023, RM19.09 million or 29% less than the RM66.97 million recorded in the corresponding 3 months period ended 31 March 2022. This decrease was mainly attributed to the RM19.43 million decrease in Timber Trading and Manufacturing segments. This was partially offset by the total increase of RM340 thousand in the turnover for Services & Treatment and Others segments.

The group's pre-tax profit decreased by RM4.81 million mainly due to the decrease in pre-tax profit of RM581 thousand for the Timber Trading segment, RM4.24 million for the Manufacturing segment and RM573 thousand for the Services & Treatment segment.

Timber Extraction

No logging was carried out in the current 3 months period ended 31 March 2023 and corresponding 3 months period ended 31 March 2022. As such, no revenue was recorded for this segment, i.e., it incurred a pre-tax loss of RM42 thousand.

Timber Trading

The turnover for this segment is decreased by RM8.55 million. The pre-tax profit for this segment decreased by RM581 thousand from a pre-tax profit of RM2.93 million in the corresponding 3 months period ended 31 March 2022 to RM2.35 million for the current 3 months period ended 31 March 2023 due to lower sales.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

(The figures have not been audited)

Manufacturing

Total turnover for this segment decreased by RM10.88 million. The turnover for the manufacturing of industrial paper bags increased by RM304 thousand due to higher selling price in tandem with increasing raw materials price, while the turnover for manufacturing of timber and wood based products decreased by RM11.18 million due to lower sales order from buyers. Pre-tax profit for this market segment decreased by RM4.24 million from pre-tax profit RM5.46 million in the corresponding 3 months period ended 31 March 2022 to pre-tax profit RM1.21 million for the current 3 months period ended 31 March 2023. The decrease in pre-tax profit was mainly attributed to lower profit registered by the manufacturing of timber and wood based products. The profit decreased by RM2.82 million due to lower sales. The manufacturing of industrial paper bags decreased its pre-tax profit by RM1.42 million due to higher upkeep of plant and machinery and unrealized loss on forex.

Services & Treatment

The volume of timber for kiln drying decreased by 4% and service charges rates increased by 2% that resulted in a increase of RM292 thousand in the gross turnover for this market segment. The pre-tax profit for this segment decreased by RM573 thousand from a pre-tax profit of RM1.33 million in the corresponding 3 months period ended 31 March 2022 to pre-tax profit of RM761 thousand for the current 3 months period ended 31 March 2023 due to higher labour cost and rental expenses.

Property Development

There were no revenue registered for the current 3 months period ended 31 March 2023 similar to the corresponding 3 months period ended 31 March 2022. It reported a pre-tax profit of RM47 thousand compared to a pre-tax loss of RM30 thousand previously.

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

Market Segments	Revenue		Segment Profit	
	<u>Q1 2023</u> <u>RM'000</u>	<u>Q4 2022</u> <u>RM'000</u>	<u>Q1 2023</u> <u>RM'000</u>	<u>Q4 2022</u> <u>RM'000</u>
Timber Extraction	-	-	(42)	44
Timber Trading	18,883	10,696	2,357	270
Manufacturing	22,266	26,097	1,215	976
Services & Treatment	6,498	7,448	761	897
Property Development	-	-	47	(298)
Others	235	387	8,152	4,133
	<u>47,882</u>	<u>44,628</u>	<u>12,490</u>	<u>6,022</u>
Elimination			(8,528)	(3,587)
Profit before taxation			3,962	2,435
Taxation			(1,121)	(3,316)
Profit after taxation			2,841	(881)
Non-controlling interest			(525)	(52)
Net profit for the year			2,316	(933)

The Group's turnover for the current quarter under review was RM47.88 million, which was RM3.25 million or 7.3% less than the RM44.62 million registered in the preceding quarter. All of the group's market segments recorded lower growth in their turnover except for the Timber Trading segment. It recorded an increase of RM8.18 million in turnover. This was offset by the decrease of RM4.93 million recorded by the Manufacturing, Services & Treatment and Others segments.

The Group posted a pre-tax profit of RM3.96 million for the current quarter against the preceding quarter figure of pre-tax profit of RM2.43 million. The major contributor to the RM1.52 million increase in pre-tax profit for the current quarter was the Timber Trading segment.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

(The figures have not been audited)

17. Prospects for Current Financial Year

According to World Bank (January 2023), 2023 global growth to slow to 1.7% from 3% expected six months, due to elevated inflation, higher interest rates, reduced investment, and disruptions caused by Russia's invasion of Ukraine.

As such, given the fragile economic conditions, the Group will continue to adopt a prudent view moving forward. The Group intends to continue strengthening efficiency and minimizing costs in 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 quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31/3/2023	31/3/2022	31/3/2023	31/3/2022
	RM'000	RM'000	RM'000	RM'000
Current taxation	(1,121)	(2,380)	(1,121)	(2,380)
(Over)/Under provision in respect of prior years	-	-	-	-
Foreign Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
	(1,121)	(2,380)	(1,121)	(2,380)
Our share of results of associated companies	-	-	-	-
	(1,121)	(2,380)	(1,121)	(2,380)

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

20. Trade Receivables

	As at 31.3.2023	As at 31.3.2022
	RM'000	RM'000
Trade receivables	24,256	35,720
Less: Allowance for impairment loss	(1,195)	(986)
	23,061	34,734

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

	As at 31.3.2023	As at 31.3.2022
	RM'000	RM'000
Neither past due nor impaired	14,304	22,918
Past due not impaired:		
< 30 days	5,299	6,729
31 - 60 days	2,082	2,639
> 60 days	2,571	3,434
Gross trade receivables	24,256	35,720
Less: Allowance for impairment loss	(1,195)	(986)
	23,061	34,734

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(The figures have not been audited)

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 2023.

23. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 24 May 2023.

24. Group Borrowings

Total Group borrowings as at 31 March 2023 were as follows:-

	As at 1st. Quarter ended 31 March 2023		
	Long Term	Short Term	Total borrowings
	RM	RM	RM
Secured			
Property Loan	2,733		2,733
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts and Letter of Credits)		13,288	13,288
Unsecured	-	-	-
	As at 1st. Quarter ended 31 March 2022		
Secured			
Property Loan	1,869		1,869
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts and Letter of Credits)		17,611	17,611
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 2023, 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

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(The figures have not been audited)

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. Furthermore, the decision date of Court will be set on 15 June 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 March 2023 (2022: Nil).

28. Profit/(Loss) From Operations

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

	Individual Quarter		Cumulative Period	
	Current Year	Preceding Year	Current Year	Preceding
	31/3/2023	31/3/2022	31/3/2023	31/3/2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
(a). Interest income	140	188	140	188
(b). Investment income	-	-	-	-
(c). Rental Income	2,966	2,064	2,966	2,064
(d). Interest expenses	(261)	(285)	(261)	(285)
(e). Depreciation & Amortisation	(1,704)	(1,789)	(1,704)	(1,789)
(f). Gain/(loss) on disposal of property, plant & equipment	176	213	176	213
(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)	(386)	(287)	(386)	(287)

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(The figures have not been audited)

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
	31/3/2023	31/3/2022	31/3/2023	31/3/2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net earnings/(loss) attributable to the ordinary equity holders of the Company	2,316	4,581	2,316	4,581
Weighted average number of ordinary shares ('000)	356,724	356,724	356,724	356,724
Basic earnings/(loss) per share (sen)	0.65	1.28	0.65	1.28

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 2023.

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 31 May 2023.