



MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

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 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>30/9/2023</u>	<u>30/9/2022</u>	<u>30/9/2023</u>	<u>30/9/2022</u>
	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>
Continuing Operations:				
Revenue	47,842	50,949	144,583	182,668
Cost of sales	(50,236)	(51,844)	(144,984)	(174,037)
Gross profit	(2,394)	(895)	(401)	8,631
Other operating income	3,983	3,736	12,234	9,384
Finance cost	(262)	(287)	(768)	(866)
Profit before tax	1,327	2,554	11,065	17,149
Income tax expense	(545)	(870)	(3,085)	(4,998)
Profit for the period from continuing operations	782	1,684	7,980	12,151
Loss from discontinued operation	-	-	-	-
Profit for the period	782	1,684	7,980	12,151
Other Comprehensive Income:				
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	782	1,684	7,980	12,151
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	530	1,049	6,429	8,418
- loss from discontinued operations				
Non-Controlling Interest	252	635	1,551	3,733
Profit for the period	782	1,684	7,980	12,151
Total comprehensive income attributable to:				
Owners of the Parent	530	1,049	6,429	8,418
Non-Controlling Interest	252	635	1,551	3,733
	782	1,684	7,980	12,151
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	0.15	0.29	1.80	2.36

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30/9/2023 RM'000	Audited As at 31/12/2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	133,079	125,838
Investment properties	162,718	160,162
Right of use assets	22,373	23,818
Land held for investment	2,500	2,500
	320,670	312,318
Current Assets		
Inventories	93,936	88,686
Property development cost	-	-
Trade receivables	26,616	22,551
Other receivables	4,168	5,790
Tax recoverable	2,310	1,900
Short-term investments	10,218	18,340
Derivative financial assets	109	126
Fixed deposit with licensed banks	23,619	28,274
Cash and bank balances	28,715	21,077
	189,691	186,744
TOTAL ASSETS	510,361	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)	181,838	175,409
	401,670	395,241
Non-controlling interest	40,589	40,623
Total Equity	442,259	435,864
Non-current liabilities		
Deferred tax liabilities	11,489	11,489
Lease liabilities	8,838	11,745
Loan and borrowings	-	2,063
	20,327	25,297
Current Liabilities		
Trade payables	12,698	8,441
Other payables	9,290	10,148
Provision for liabilities	126	127
Lease liabilities	8,694	8,260
Loan and borrowings	16,607	10,585
Derivative financial liabilities	-	-
Tax Payable	360	340
	47,775	37,901
Total Liabilities	68,102	63,198
TOTAL EQUITY AND LIABILITIES	510,361	499,062
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.13	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 THIRD QUARTER ENDED 30 SEPTEMBER 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/(Losses)	Total			
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 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						-		6,429	6,429	1,551	7,980	
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 30.9.2023	206,368	-	-	-	13,464	-	-	181,838	401,670	40,589	442,259	
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	

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2023**

(The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Cumulative Period	
	Current Year to date 30/9/2023 RM'000	Preceding Period Ended 30/9/2022 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	11,065	17,149
Adjustments for :		
Depreciation, amortisation and impairment losses	5,073	5,370
Interest income	(567)	(641)
Interest expenses	768	866
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	(556)	(420)
Asset written off	-	2
Operating profit before changes in working capital	15,783	22,326
Net change in current assets	(6,481)	1,575
Net change in current liabilities	3,398	(2,585)
Cash flow from operation	12,700	21,316
Taxes paid	(4,483)	(3,726)
Taxes refunded	996	13
Net Cash Flows From Operating Activities	9,213	17,603
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(8,287)	(8,406)
Purchase of freehold land	(6,468)	(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	1,370	489
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	(13,385)	(11,559)
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)	3,192	(1,614)
Repayment of hire purchase obligations	(2,188)	(2,697)
Dividends paid to non-controlling interest in subsidiary company	(1,585)	(3,185)
Net Cash Flows From Financing Activities	(581)	(7,496)
Net Increase in Cash and Cash Equivalents	(4,753)	(1,452)
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	62,552	71,643
Cash and cash equivalent comprise the following:-		
Bank and cash balances	28,715	24,758
Short-term investments and Deposit with license bank	33,837	46,885
	62,552	71,643

(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 THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 30 September 2023.

7. Dividends Paid

There were no dividends declared and paid by the Company for the financial period ended 30 September 2023.

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

(The figures have not been audited)

8. Segment Information

The Group's segment information for the financial period ended 30 September 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	1,927	53,582	69,125	19,057	-	892		144,583
Inter segmental sales	-	1,387	2,827	4,301	-	8,500	(17,015)	-
Total Revenue	1,927	54,969	71,952	23,358	-	9,392		144,583
Segments Profits/(Loss) Before Tax	1,225	4,444	3,968	2,411	157	7,714	(8,854)	11,065
Depreciation and amortisation	370	693	2,482	1,304	19	205		5,073
Rental income of land and buildings	-	2,978	2,759	4,738	270	-	(1,298)	9,447
Net foreign exchange Gain/(loss) on disposal of property, plant and equipment	-	(93)	(293)	-	-	-		(386)
Finance cost	-	184	584	7	-	-	(7)	768
Interest Income	-	100	303	65	19	80	-	567
Tax Expenses	-	1,346	1,075	580	38	46		3,085
Segments Assets	15,211	109,774	171,092	174,888	12,172	31,401	(4,177)	510,361
Other Investment								-
Total Segments Assets								510,361
Segment Liabilities	1,455	13,805	30,222	22,324	99	762	(565)	68,102
	Timber Extraction RM'000	Timber Trading RM'000	Manufacturing RM'000	Services & Treatment RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Total RM'000
2022								
Revenue								
External Sales	783	71,371	91,186	18,731	-	597		182,668
Inter segmental sales	-	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 Gain/(loss) on disposal of property, plant and equipment	-	(132)	(155)	-	-	-		(287)
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



INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30 September 2023.

12. Contingent Liabilities – Unsecured

As at 30 September 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 RM6,810,725.13 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 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 30/09/2023 (RM ' 000)		Approved Value 27/06/2023 to next AGM (RM ' 000)		Balance due to / from the companies 30/9/2023 (RM ' 000)	
				Receivables	Payables	Receivables	Payables	Receivables	Payables
D M Timber Sdn Bhd ("DM")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		3,076		15,000		1,353
Lucky Star Diversifie Sdn Bhd ("LSDSB")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		3,473		20,000		805
Minho Kilning (Klang) Sdn Bhd ("MKK")	⁽ⁱ⁾ Rental & Storage Charges	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		4,205		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		29		800		32
Ms. Loo Lay Hooi	^(iv) Rental	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		54		100		-
Mahawangsa Timbe Industries Sdn Bhd ("MTI")	Sales of sawn timber and its related products.	LTI	Monthly	490		4,000		-	
	Purchase of logs.	LTI	Monthly		3,305		20,000		-
MTI	^(a) Purchase of timber.	Costraco Sdn Bhd ("CSB")	Monthly		1,670		19,000		2
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 Diversifie Sdn Bhd ("LSDSB")	Sales of sawn timber	Lionvest Corporation (Pahang) Sdn Bhd ("LCPSB")	Monthly	1,927		9,500		657	
Lucky Star Diversifie Sdn Bhd ("LSDSB")	⁽ⁱⁱ⁾ 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	2,454	15,812	13,596	95,400	657	2,192

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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		3 MONTHS ENDED	
	Q3 2023	Q3 2022	Q3 2023	Q3 2022
	30/9/2023	30/9/2022	30/9/2023	30/9/2022
	RM'000	RM'000	RM'000	RM'000
Revenue				
Timber Extraction	-	-	1,927	783
Timber Trading	15,743	16,565	53,582	71,371
Manufacturing	25,626	27,302	69,125	91,186
Services & Treatment	6,205	6,867	19,057	18,731
Property Development	-	-	-	-
Others	268	215	892	597
	<u>47,842</u>	<u>50,949</u>	<u>144,583</u>	<u>182,668</u>
Segment Profit				
Timber Extraction	(54)	(123)	1,225	237
Timber Trading	179	1,618	4,444	6,825
Manufacturing	1,198	970	3,968	8,841
Services & Treatment	519	528	2,411	2,759
Property Development	57	(53)	157	(127)
Others	(456)	2,167	7,714	2,882
	<u>1,443</u>	<u>5,107</u>	<u>19,919</u>	<u>21,417</u>
Elimination	(116)	(2,553)	(8,854)	(4,268)
Profit before taxation	<u>1,327</u>	<u>2,554</u>	<u>11,065</u>	<u>17,149</u>
Taxation	(545)	(870)	(3,085)	(4,998)
Profit after taxation	<u>782</u>	<u>1,684</u>	<u>7,980</u>	<u>12,151</u>
Non-controlling interest	(252)	(635)	(1,551)	(3,733)
Net profit for the year	<u>530</u>	<u>1,049</u>	<u>6,429</u>	<u>8,418</u>

(a). Three months period-Q3 2023.

For the current quarter, the Group registered revenue of RM47.84 million, RM3.10 million lower as compared to Q3 2022. This decrease was mainly attributed to the RM3.16 million total combined decreases in turnover for the Timber Trading, Manufacturing and Services & Treatment market segments.

The group's pre-tax profit decreased by RM1.22 million, i.e. from RM2.55 million to RM1.32 million. Most of the Group's market segments recorded lower pre-tax profit. The Timber Trading, Services & Treatment and Others segments combined decrease of RM4.07 million in the pre-tax profit was raised by Timber Extraction, Manufacturing and Property Development segments which recorded total increase of RM407 thousand in pre-tax profit.

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

The Group disclosed total revenue of RM144.58 million for the current 9 months period ended 30 September 2023, RM38.08 million or 21% less than the RM182.66 million recorded in the corresponding 9 months period ended 30 September 2022. This decrease was mainly attributed to the RM39.85 million decrease in Timber Trading and Manufacturing segments. This was partially offset by the total increase of RM1.76 million in the turnover for Timber Extraction, Services & Treatment and Others segments.

The group's pre-tax profit decreased by RM6.08 million mainly due to the decrease in pre-tax profit of RM2.38 million for the Timber Trading segment, RM4.87 million for the Manufacturing segment and RM348 thousand for the Services & Treatment segment.

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

(The figures have not been audited)

Timber Extraction

550.64 acres logging was carried out in the current 9 months period ended 30 September 2023 compared to 223.6 acres logged in the corresponding 9 months period ended 30 September 2022. As such, revenue was recorded RM1.92 million for this segment, i.e., it incurred a pre-tax profit of RM1.22 million.

Timber Trading

The turnover for this segment is decreased by RM17.78 million. The pre-tax profit for this segment decreased by RM2.38 million from a pre-tax profit of RM6.82 million in the corresponding 9 months period ended 30 September 2022 to RM4.44 million for the current 9 months period ended 30 September 2023 due to lower sales.

Manufacturing

Total turnover for this segment decreased by RM22.06 million. The turnover for the manufacturing of industrial paper bags increased by RM1.21 million 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 RM23.27 million due to lower sales order from buyers. Pre-tax profit for this market segment decreased by RM4.87 million from pre-tax profit RM8.84 million in the corresponding 9 months period ended 30 September 2022 to pre-tax profit RM3.96 million for the current 9 months period ended 30 September 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 RM3.32 million due to lower sales. The manufacturing of industrial paper bags decreased its pre-tax profit by RM1.55 million due to higher upkeep of plant and machinery and loss on foreign exchange.

Services & Treatment

The volume of timber for kiln drying decreased by 5% and service charges rates increased by 6% that resulted in a increase of RM102 thousand in the gross turnover for this market segment. The pre-tax profit for this segment decreased by RM349 thousand from a pre-tax profit of RM2.76 million in the corresponding 9 months period ended 30 September 2022 to pre-tax profit of RM2.41 million for the current 9 months period ended 30 September 2023 due to the increase in operation cost mainly relating to labour cost, repair and maintenance of machinery and rental expenses.

Property Development

There were no revenue registered for the current 9 months period ended 30 September 2023 similar to the corresponding 9 months period ended 30 September 2022. It reported a pre-tax profit of RM157 thousand due to higher rental income, compared to a pre-tax loss of RM127 thousand previously.

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

Market Segments	Revenue		Segment Profit	
	Q3 2023	Q2 2023	Q3 2023	Q2 2023
	RM'000	RM'000	RM'000	RM'000
Timber Extraction	-	1,927	(54)	1,321
Timber Trading	15,743	18,956	179	1,908
Manufacturing	25,626	21,233	1,198	1,555
Services & Treatment	6,205	6,354	519	1,131
Property Development	-	-	57	53
Others	268	389	(456)	18
	<u>47,842</u>	<u>48,859</u>	<u>1,443</u>	<u>5,986</u>
Elimination			(116)	(210)
Profit before taxation			1,327	5,776
Taxation			(545)	(1,419)
Profit after taxation			782	4,357
Non-controlling interest			(252)	(774)
Net profit for the year			530	3,583

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

(The figures have not been audited)

The Group's turnover for the current quarter under review was RM47.84 million, which was RM1.01 million or 2.1% less than the RM48.85 million registered in the preceding quarter. All of the group's market segments recorded lower growth in their turnover except for the Manufacturing segment. It recorded a decrease of RM5.41 million in turnover. This was offset by the increase of RM4.39 million recorded by the Manufacturing segment.

The Group posted a pre-tax profit of RM1.32 million for the current quarter against the preceding quarter figure of pre-tax profit of RM5.77 million. The major contributor to the RM4.44 million decrease in pre-tax profit for the current quarter were the Timber Extraction, Timber Trading, Manufacturing and Services & Treatment segments.

17. Prospects for Current Financial Year

The International Monetary Fund ("IMF") in their latest publication of World Economic Outlook(WEO) in October 2023 stated that global growth is projected to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024, well below the historical (2000–19) average of 3.8 percent. Advanced economies are expected to slow from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024 as policy tightening starts to bite.

As such, given the forecasted 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	Preceding year	Current year	Preceding year
	quarter	corresponding	to date	corresponding
	30/9/2023	quarter	30/9/2023	period
	RM'000	30/9/2022	30/9/2022	RM'000
	RM'000	RM'000	RM'000	RM'000
Current taxation	(545)	(870)	(3,085)	(4,998)
(Over)/Under provision in respect of prior years	-	-	-	-
Foreign Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
	(545)	(870)	(3,085)	(4,998)
Our share of results of associated companies	-	-	-	-
	(545)	(870)	(3,085)	(4,998)

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 2023
(The figures have not been audited)

20. Trade Receivables

	As at 30.9.2023 RM'000	As at 30.9.2022 RM'000
Trade receivables	27,811	25,898
Less: Allowance for impairment loss	(1,195)	(986)
	26,616	24,912

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

	As at 30.9.2023 RM'000	As at 30.9.2022 RM'000
Neither past due nor impaired	16,656	14,220
Past due not impaired:		
< 30 days	6,510	6,566
31 - 60 days	2,864	2,715
> 60 days	1,781	2,397
Gross trade receivables	27,811	25,898
Less: Allowance for impairment loss	(1,195)	(986)
	26,616	24,912

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 2023.

23. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 23 November 2023.

24. Group Borrowings

Total Group borrowings as at 30 September 2023 were as follows:-

	As at 3rd. Quarter ended 30 September 2023		
	Long Term	Short Term	Total borrowings
	RM	RM	RM
Secured			
Property Loan	-		-
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts and Letter of Credits)		16,607	16,607
Unsecured	-	-	-
	As at 3rd. Quarter ended 30 September 2022		
Secured			
Property Loan	-		-
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts and Letter of Credits)		18,644	18,644
Unsecured	-	-	-

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

(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 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 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.

Follow up on the above subject, Defendant is not satisfied with the Court's decision on 12 July 2023 for allowing the Writ and Statement of Claim dated 14 September 2020 filed by the Plaintiff with cost as per cause and dismissed the Counterclaim dated 13 November 2020 filed by the Defendant. The Defendant then applied for an appeal against the Court's decision made on 12 July 2023 and the Court has fixed the case management on 23 August 2023 and 22 September 2023, which has now been fixed on 5 December 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 2023 (2022: Nil).

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

(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
	30/9/2023	30/9/2022	30/9/2023	30/9/2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
(a). Interest income	219	250	567	641
(b). Investment income	-	-	-	-
(c). Rental Income	2,858	2,980	9,447	7,432
(d). Interest expenses	(262)	(287)	(768)	(866)
(e). Depreciation & Amortisation	(1,686)	(1,817)	(5,073)	(5,370)
(f). Gain/(loss) on disposal of property, plant & equipment	48	207	556	420
(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)	-	-	(386)	(287)

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
	30/9/2023	30/9/2022	30/9/2023	30/9/2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net earnings/(loss) attributable to the ordinary equity holders of the Company	530	1,049	6,429	8,418
Weighted average number of ordinary shares ('000)	356,724	356,724	356,724	356,724
Basic earnings/(loss) per share (sen)	0.15	0.29	1.80	2.36

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 2023.

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 30 November 2023.