



# **MINHO (M) BERHAD**

Registration No. 199001009358 (200930-H)

## **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

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**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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>31/12/2023</u>	<u>31/12/2022</u>	<u>31/12/2023</u>	<u>31/12/2022</u>
	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>
<b>Continuing Operations:</b>				
<b>Revenue</b>	48,847	44,628	193,430	227,296
Cost of sales	(47,632)	(48,793)	(192,616)	(222,830)
Gross profit	1,215	(4,165)	814	4,466
Other operating income	3,469	7,025	15,703	16,409
Finance cost	(618)	(425)	(1,386)	(1,291)
Profit before tax	4,066	2,435	15,131	19,584
Income tax expense	(3,973)	(3,316)	(7,058)	(8,314)
<b>Profit for the period from continuing operations</b>	93	(881)	8,073	11,270
<b>Loss from discontinued operation</b>	-	-	-	-
<b>Profit for the period</b>	93	(881)	8,073	11,270
<b>Other Comprehensive Income:</b>				
<b>Other Comprehensive Income net of tax</b>	-	-	-	-
<b>Total Comprehensive Income for the period</b>	93	(881)	8,073	11,270
<b>Net Profit/(loss) attributable to:</b>				
Owners of the Parent				
- income from continuing operations	(720)	(933)	5,709	7,485
- loss from discontinued operations				
Non-Controlling Interest	813	52	2,364	3,785
Profit for the period	93	(881)	8,073	11,270
Total comprehensive income attributable to:				
Owners of the Parent	(720)	(933)	5,709	7,485
Non-Controlling Interest	813	52	2,364	3,785
	93	(881)	8,073	11,270
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	(0.20)	(0.26)	1.60	2.10

(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 FOURTH QUARTER ENDED 31 DECEMBER 2023**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As at 31/12/2023 RM'000	Audited As at 31/12/2022 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	99,488	125,838
Investment properties	195,265	160,162
Right of use assets	24,556	23,818
Land held for investment	2,500	2,500
	<b>321,809</b>	<b>312,318</b>
<b>Current Assets</b>		
Inventories	96,476	88,686
Property development cost	-	-
Trade receivables	26,311	22,551
Other receivables	4,470	5,790
Tax recoverable	2,332	1,900
Short-term investments	10,322	18,340
Derivative financial assets	160	126
Fixed deposit with licensed banks	19,350	28,274
Cash and bank balances	32,630	21,077
	<b>192,051</b>	<b>186,744</b>
<b>TOTAL ASSETS</b>	<b>513,860</b>	<b>499,062</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)	181,118	175,409
	<b>400,950</b>	<b>395,241</b>
<b>Non-controlling interest</b>	<b>41,402</b>	<b>40,623</b>
<b>Total Equity</b>	<b>442,352</b>	<b>435,864</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	12,374	11,489
Lease liabilities	8,783	11,745
Loan and borrowings	442	2,063
	<b>21,599</b>	<b>25,297</b>
<b>Current Liabilities</b>		
Trade payables	11,501	8,441
Other payables	9,456	10,148
Provision for liabilities	126	127
Lease liabilities	10,876	8,260
Loan and borrowings	16,349	10,585
Derivative financial liabilities	-	-
Tax Payable	1,601	340
	<b>49,909</b>	<b>37,901</b>
<b>Total Liabilities</b>	<b>71,508</b>	<b>63,198</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>513,860</b>	<b>499,062</b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<b>1.12</b>	<b>1.11</b>

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

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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		
<b>Period ended 31 December 2023</b>												
<b>Balance as at 01.01.2023</b>	206,368		-	-	13,464	-	-	175,409	395,241	40,623	435,864	
Total comprehensive income for the period						-		5,709	5,709	2,364	8,073	
Non-controlling interest								-	-	-	-	
Issuance of ordinary shares pursuant to: - Exercise of warrants	-								-		-	
Dividend distributed to Non-Controlling Interest									-	(1,585)	(1,585)	
<b>Balance as at 31.12.2023</b>	206,368	-	-	-	13,464	-	-	181,118	400,950	41,402	442,352	
<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	

(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 FOURTH QUARTER ENDED 31 DECEMBER 2023**

(The figures have not been audited)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Cumulative Period	
	Current Year to date 31/12/2023 RM'000	Preceding Period Ended 31/12/2022 RM'000
<b>Cash Flows From Operating Activities</b>		
<b>Profit/(Loss) before taxation</b>	15,131	19,584
Adjustments for :		
Depreciation, amortisation and impairment losses	7,304	11,231
Interest income	(750)	(672)
Interest expenses	1,386	1,291
Share of profit in associates	-	-
Fair value gain of financial instruments measured at fair	-	-
Provision:		
Provision for doubtful debts	-	602
Write back of provision for doubtful debts	-	(394)
Write down of inventories	-	933
Write back of stock value	-	(954)
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	(533)	(451)
Asset written off	-	2
Operating profit before changes in working capital	22,538	31,172
Net change in current assets	(9,342)	11,743
Net change in current liabilities	2,367	(3,837)
Cash flow from operation	15,563	39,078
Taxes paid	(6,275)	(7,252)
Taxes refunded	1,024	60
<b>Net Cash Flows From Operating Activities</b>	<b>10,312</b>	<b>31,886</b>
<b>Cash Flows From Investing Activities:</b>		
Purchase of PPE and investment property	(8,553)	(12,939)
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	1,371	741
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>(13,650)</b>	<b>(15,840)</b>
<b>Cash Flows From Financing Activities:</b>		
Issue of ordinary shares	-	-
Acquisition of treasury shares	-	-
Distribution of Dividends	-	-
Proceed from exercised of Warrants	-	-
Bank borrowings and other liabilities (Net)	2,768	(11,742)
Repayment of hire purchase obligations	(2,912)	(8,161)
Dividends paid to non-controlling interest in subsidiary company	(1,585)	(3,185)
<b>Net Cash Flows From Financing Activities</b>	<b>(1,729)</b>	<b>(23,088)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(5,067)</b>	<b>(7,042)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>67,691</b>	<b>73,382</b>
<b>Effects of changes in foreign exchange rates</b>	<b>(322)</b>	<b>99</b>
<b>Cash and Cash Equivalents at end of the period</b>	<b>62,302</b>	<b>66,439</b>
<b>Cash and cash equivalent comprise the following:-</b>		
Bank and cash balances	32,630	19,825
Short-term investments and Deposit with license bank	29,672	46,614
	<b>62,302</b>	<b>66,439</b>

(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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 2023**  
(The figures have not been audited)

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**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 December 2023.

**7. Dividends Paid**

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

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

(The figures have not been audited)

**8. Segment Information**

The Group's segment information for the financial period ended 31 December 2023 is as follows :-

	<b>Timber Extraction RM'000</b>	<b>Timber Trading RM'000</b>	<b>Manufacturing RM'000</b>	<b>Services &amp; Treatment RM'000</b>	<b>Property Development RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>2023</b>								
<b>Revenue</b>								
<i>External Sales</i>	1,927	73,824	90,359	26,108	-	1,212		193,430
<i>Inter segmental sales</i>	-	1,543	4,479	5,854	-	9,575	(21,451)	-
<b>Total Revenue</b>	<b>1,927</b>	<b>75,367</b>	<b>94,838</b>	<b>31,962</b>	<b>-</b>	<b>10,787</b>		<b>193,430</b>
Segments Profits/(Loss) Before Tax	1,189	6,015	6,470	2,372	210	(32,534)	31,409	15,131
Depreciation and amortisation	443	1,452	3,200	1,752	26	431		7,304
Rental income of land and buildings	-	6,978	552	6,857	360	-	(3,589)	11,158
Net foreign exchange	-	(40)	(282)	-	-	-		(322)
Gain/(loss) on disposal of property, plant and equipment	-	53	459	21	-	-		533
Finance cost	-	294	1,259	381	-	2	(550)	1,386
Interest Income	-	204	313	99	27	107	-	750
Tax Expenses	-	1,995	1,240	3,662	64	97		7,058
Segments Assets	14,777	158,687	128,233	172,900	12,209	31,263	(4,209)	513,860
Other Investment								-
<b>Total Segments Assets</b>								<b>513,860</b>
Segment Liabilities	1,774	15,187	31,681	20,929	109	1,310	518	71,508
	<b>Timber Extraction RM'000</b>	<b>Timber Trading RM'000</b>	<b>Manufacturing RM'000</b>	<b>Services &amp; Treatment RM'000</b>	<b>Property Development RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>2022</b>								
<b>Revenue</b>								
<i>External Sales</i>	783	82,067	117,283	26,179	-	984		227,296
<i>Inter segmental sales</i>	-	255	5,810	5,915	-	4,270	(16,250)	-
<b>Total Revenue</b>	<b>783</b>	<b>82,322</b>	<b>123,093</b>	<b>32,094</b>	<b>-</b>	<b>5,254</b>		<b>227,296</b>
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								-
<b>Total Segments Assets</b>								<b>498,874</b>
Segment Liabilities	1,331	11,772	25,544	22,636	132	2,154	(565)	63,004





**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**  
(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 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 December 2023.

**12. Contingent Liabilities – Unsecured**

As at 31 December 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, of which an amount of RM7,209,650 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 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 31/12/2023 ( RM ' 000)		Approved Value 27/06/2023 to next AGM ( RM ' 000)		Balance due to / from the companies 31/12/2023 ( RM ' 000)	
				Receivables	Payables	Receivable	Payables	Receivable	Payables
D M Timber Sdn Bhd ("DM")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		3,210		15,000		1,486
Lucky Star Diversified Sdn Bhd ("LSDSB")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd ("LTI")	Monthly		3,516		20,000		300
Minho Kilning (Klang) Sdn Bhd ("MKK")	<sup>(i)</sup> Rental & Storage Charges	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		5,741		9,000		-
Minho Kilning (Klang) Sdn Bhd ("MKK")	<sup>(v)</sup> 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		31		800		20
Ms. Loo Lay Hooi	<sup>(iv)</sup> Rental	Syarikat Minho Kilning Sdn Bhd ("SMK")	Monthly		72		100		-
Mahawangsa Timber Industries Sdn Bhd ("MTI")	Sales of sawn timber and its related products.	LTI	Monthly	603		4,000		-	
	Purchase of logs.	LTI	Monthly		4,274		20,000		-
MTI	<sup>(a)</sup> Purchase of timber.	Costraco Sdn Bhd ("CSB")	Monthly		2,370		19,000		14
MTI	<sup>(c)</sup> Purchase of timber.	Euro-CGA Sdn Bhd ("ECSB")	Monthly		307		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	1,927		9,500		357	
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		-	
			<b>Total</b>	<b>2,578</b>	<b>19,520</b>	<b>13,596</b>	<b>95,400</b>	<b>357</b>	<b>1,820</b>

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

	<b>3 MONTHS ENDED</b>		<b>3 MONTHS ENDED</b>	
	<b>YEAR-TO-DATE ENDED</b>			
	<b>Q4 2023</b>	<b>Q4 2022</b>	<b>Q4 2023</b>	<b>Q4 2022</b>
	<b>31/12/2023</b>	<b>31/12/2022</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
Timber Extraction	-	-	1,927	783
Timber Trading	20,242	10,696	73,824	82,067
Manufacturing	21,234	26,097	90,359	117,283
Services & Treatment	7,051	7,448	26,108	26,179
Property Development	-	-	-	-
Others	320	387	1,212	984
	<u>48,847</u>	<u>44,628</u>	<u>193,430</u>	<u>227,296</u>
<b>Segment Profit</b>				
Timber Extraction	(36)	44	1,189	281
Timber Trading	1,571	270	6,015	7,095
Manufacturing	2,502	976	6,470	9,817
Services & Treatment	(39)	897	2,372	3,656
Property Development	53	(298)	210	(425)
Others	(40,248)	4,133	(32,534)	7,015
	<u>(36,197)</u>	<u>6,022</u>	<u>(16,278)</u>	<u>27,439</u>
Elimination	40,263	(3,587)	31,409	(7,855)
Profit before taxation	4,066	2,435	15,131	19,584
Taxation	(3,973)	(3,316)	(7,058)	(8,314)
Profit after taxation	93	(881)	8,073	11,270
Non-controlling interest	(813)	(52)	(2,364)	(3,785)
Net profit for the year	<u>(720)</u>	<u>(933)</u>	<u>5,709</u>	<u>7,485</u>

**(a). Three months period-Q4 2023.**

For the current quarter, the Group registered revenue of RM48.84 million, RM4.21 million higher as compared to Q4 2022. This increase was mainly attributed to the RM9.54 million total increase in turnover for the Timber Trading market segment.

The group's pre-tax profit increased by RM1.63 million, i.e. from RM2.43 million to RM4.06 million. Most of the Group's market segments recorded higher pre-tax profit. The Timber Trading and Manufacturing segments combined increase of RM2.82 million in the pre-tax profit.

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

The Group disclosed total revenue of RM193.43 million for the current 12 months period ended 31 December 2023, RM33.86 million or 15% less than the RM227.29 million recorded in the corresponding 12 months period ended 31 December 2022. This decrease was mainly attributed to the RM35.23 million decrease in Timber Trading, Manufacturing and Services & Treatment segments. This was partially offset by the total increase of RM1.14 million in the turnover for Timber Extraction segment.

The group's pre-tax profit decreased by RM4.45 million mainly due to the decrease in pre-tax profit of RM1.08 million for the Timber Trading segment, RM3.34 million for the Manufacturing segment and RM1.28 million for the Services & Treatment segment.

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

(The figures have not been audited)

**Timber Extraction**

550.64 acres logging was carried out in the current 12 months period ended 31 December 2023 compared to 223.6 acres logged in the corresponding 12 months period ended 31 December 2022. As such, revenue was recorded RM1.92 million for this segment, i.e., it incurred a pre-tax profit of RM1.18 million.

**Timber Trading**

The turnover for this segment is decreased by RM8.24 million. The pre-tax profit for this segment decreased by RM1.08 million from a pre-tax profit of RM7.09 million in the corresponding 12 months period ended 31 December 2022 to RM6.01 million for the current 12 months period ended 31 December 2023 due to lower sales.

**Manufacturing**

Total turnover for this segment decreased by RM26.92 million. The turnover for the manufacturing of industrial paper bags increased by RM3.13 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 RM30.05 million due to lower sales order from buyers. Pre-tax profit for this market segment decreased by RM3.34 million from pre-tax profit RM9.81 million in the corresponding 12 months period ended 31 December 2022 to pre-tax profit RM6.47 million for the current 12 months period ended 31 December 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 RM4.90 million due to lower sales. The manufacturing of industrial paper bags increased its pre-tax profit by RM1.56 million due to higher turnover and gain on foreign exchange.

**Services & Treatment**

The volume of timber for kiln drying decreased by 5% and service charges rates increased by 5% that resulted in a decrease of RM71 thousand in the gross turnover for this market segment. The pre-tax profit for this segment decreased by RM1.28 million from a pre-tax profit of RM3.65 million in the corresponding 12 months period ended 31 December 2022 to pre-tax profit of RM2.37 million for the current 12 months period ended 31 December 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 12 months period ended 31 December 2023 similar to the corresponding 12 months period ended 31 December 2022. It reported a pre-tax profit of RM210 thousand due to higher rental income, compared to a pre-tax loss of RM425 thousand previously.

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

Market Segments	Revenue		Segment Profit	
	Q4 2023 RM'000	Q3 2023 RM'000	Q4 2023 RM'000	Q3 2023 RM'000
Timber Extraction	-	-	(36)	(54)
Timber Trading	20,242	15,743	1,571	179
Manufacturing	21,234	25,626	2,502	1,198
Services & Treatment	7,051	6,205	(39)	519
Property Development	-	-	53	57
Others	320	268	(40,248)	(456)
	<u>48,847</u>	<u>47,842</u>	<u>(36,197)</u>	<u>1,443</u>
Elimination			40,263	(116)
<b>Profit before taxation</b>			<b>4,066</b>	<b>1,327</b>
Taxation			(3,973)	(545)
<b>Profit after taxation</b>			<b>93</b>	<b>782</b>
Non-controlling interest			(813)	(252)
<b>Net profit for the year</b>			<b>(720)</b>	<b>530</b>

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

(The figures have not been audited)

The Group's turnover for the current quarter under review was RM48.84 million, which was RM1.00 million or 2.1% more than the RM47.84 million registered in the preceding quarter. All of the group's market segments recorded higher growth in their turnover except for the Manufacturing segment. It recorded a total combined increase of RM5.39 million in turnover. This was offset by the decrease of RM4.39 million recorded by the Manufacturing segment.

The Group posted a pre-tax profit of RM4.06 million for the current quarter against the preceding quarter figure of pre-tax profit of RM1.32 million. The major contributor to the RM2.73 million increase in pre-tax profit for the current quarter were the Timber Trading and Manufacturing segments.

**17. Prospects for Current Financial Year**

The International Monetary Fund ("IMF") in their latest publication of World Economic Outlook(WEO) in January 2024 stated that global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025, with the 2024 forecast 0.2 percentage point higher than that in the October 2023 World Economic Outlook (WEO) on account of greater-than-expected resilience in the United States and several large emerging markets and developing economies, as well as fiscal support in China.

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 quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31/12/2023 RM'000	31/12/2022 RM'000	31/12/2023 RM'000	31/12/2022 RM'000
Current taxation	(3,973)	(3,316)	(7,058)	(8,314)
(Over)/Under provision in respect of prior years	-	-	-	-
Foreign Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
	<u>(3,973)</u>	<u>(3,316)</u>	<u>(7,058)</u>	<u>(8,314)</u>
Our share of results of associated companies	-	-	-	-
	<u>(3,973)</u>	<u>(3,316)</u>	<u>(7,058)</u>	<u>(8,314)</u>

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 2023**

(The figures have not been audited)

**20. Trade Receivables**

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Trade receivables	27,506	23,537
Less: Allowance for impairment loss	(1,195)	(986)
	<b>26,311</b>	<b>22,551</b>

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

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Neither past due nor impaired	15,364	12,974
Past due not impaired:		
< 30 days	7,016	5,007
31 - 60 days	2,755	2,812
> 60 days	2,371	2,744
Gross trade receivables	27,506	23,537
Less: Allowance for impairment loss	(1,195)	(986)
	<b>26,311</b>	<b>22,551</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 2023.

**23. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 22 February 2024.

**24. Group Borrowings**

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

	As at 4th. Quarter ended 31 December 2023		
	Long Term	Short Term	Total borrowings
	RM	RM	RM
<b>Secured</b>			
Property Loan	442		442
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts, Letter of Credits and Others)		16,349	16,349
<b>Unsecured</b>	-	-	-
	As at 4th. Quarter ended 31 December 2022		
<b>Secured</b>			
Property Loan	1,278		1,278
Trading Facilities (Overdraft, Bankers Acceptance, Trust Receipts, Letter of Credits and Others)		10,118	10,118
<b>Unsecured</b>	-	-	-

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 22 February 2024, 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 5 February 2024, the Court examined the records of the appeal and the arguments filed by the parties in the appeal, found no reason to disturb the findings of the Sessions Court Judge based on the provisions of the law and a proper assessment of the facts. Therefore, the Appellant's appeal was dismissed with costs of RM5,000.00.

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 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
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
(a). Interest income	183	31	750	672
(b). Investment income	-	-	-	-
(c). Rental Income	1,711	2,965	11,158	10,397
(d). Interest expenses	(618)	(425)	(1,386)	(1,291)
(e). Depreciation & Amortisation	(2,231)	(5,861)	(7,304)	(11,231)
(f). Gain/(loss) on disposal of property, plant & equipment	(23)	31	533	451
(g). Property, plant & equipment written off	-	-	-	2
(h). Inventories write-down	-	(933)	-	(933)
(i). Provision for and write-off of receivables	-	(602)	-	(602)
(j). Provision for receivables write-back.	-	394	-	394
(k). Net foreign exchange gain/(loss)	64	386	(322)	99



**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**  
(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
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net earnings/(loss) attributable to the ordinary equity holders of the Company	(720)	(933)	5,709	7,485
Weighted average number of ordinary shares ('000)	356,724	356,724	356,724	356,724
Basic earnings/(loss) per share (sen)	(0.20)	(0.26)	1.60	2.10

**30. Authorisation for issue**

This interim financial information has been approved for issue in accordance with a resolution of the Board of Directors dated 29 February 2024.

**By order of the Board**

Klang, Selangor Darul Ehsan.

Dated: 29 February 2024.