



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

| | (Unaudited) | (Audited) |
|--|--------------------|------------------|
| | As At | As At |
| | 31.03.23 | 31.12.22 |
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 76,655 | 77,050 |
| Right-of-use assets | 5,494 | 5,515 |
| Investment properties | 116,097 | 117,126 |
| | <u>198,246</u> | <u>199,691</u> |
| Current assets | | |
| Inventories | 25,491 | 35,273 |
| Trade receivables | 29,417 | 20,235 |
| Other receivables, deposits and prepayments | 8,621 | 4,554 |
| Current tax assets | 2,023 | 2,369 |
| Cash and bank balances | 57,937 | 54,568 |
| | <u>123,489</u> | <u>116,999</u> |
| TOTAL ASSETS | <u>321,735</u> | <u>316,690</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the parent | | |
| Share capital | 115,002 | 115,002 |
| Retained earnings | 115,808 | 111,728 |
| | <u>230,810</u> | <u>226,730</u> |
| Non-controlling interests | 40,550 | 40,244 |
| Total equity | <u>271,360</u> | <u>266,974</u> |
| LIABILITIES | | |
| Non-current liabilities | | |
| Borrowings | 19,886 | 19,886 |
| Lease liabilities | 98 | 92 |
| Deferred tax liabilities | 4,469 | 4,484 |
| | <u>24,453</u> | <u>24,462</u> |
| Current liabilities | | |
| Trade payables | 6,246 | 2,787 |
| Other payables | 19,426 | 22,103 |
| Lease liabilities | 190 | 184 |
| Current tax liabilities | 60 | 180 |
| | <u>25,922</u> | <u>25,254</u> |
| Total liabilities | <u>50,375</u> | <u>49,716</u> |
| TOTAL EQUITY AND LIABILITIES | <u>321,735</u> | <u>316,690</u> |
| Net Assets per Share (RM) | 0.64 | 0.63 |
| Net Assets (RM'000) | 230,810 | 226,730 |

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022)



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE-MONTHS ENDED 31 MARCH 2023

| | Current Quarter 3 months ended | | Cumulative Quarter 3 months ended | |
|--|-----------------------------------|---------------------|--------------------------------------|---------------------|
| | 31.03.23 RM'000 | 31.03.22 RM'000 | 31.03.23 RM'000 | 31.03.22 RM'000 |
| Revenue | 53,607 | 56,437 | 53,607 | 56,437 |
| Cost of sales | (43,777) | (44,076) | (43,777) | (44,076) |
| Gross profit | <u>9,830</u> | <u>12,361</u> | <u>9,830</u> | <u>12,361</u> |
| Other operating income | 2,893 | 1,507 | 2,893 | 1,507 |
| Operating expenses | (6,792) | (7,683) | (6,792) | (7,683) |
| Finance costs | (129) | (130) | (129) | (130) |
| Profit before tax | <u>5,802</u> | <u>6,055</u> | <u>5,802</u> | <u>6,055</u> |
| Tax expense | (1,416) | (1,538) | (1,416) | (1,538) |
| Profit for the period | <u>4,386</u> | <u>4,517</u> | <u>4,386</u> | <u>4,517</u> |
| Other comprehensive income, net of tax | 0 | 0 | 0 | 0 |
| Total comprehensive income for the period | <u><u>4,386</u></u> | <u><u>4,517</u></u> | <u><u>4,386</u></u> | <u><u>4,517</u></u> |
| Profit for the period attributable to: | | | | |
| - Owners of the parent | 4,080 | 4,458 | 4,080 | 4,458 |
| - Non-controlling interests | <u>306</u> | <u>59</u> | <u>306</u> | <u>59</u> |
| Total comprehensive income for the period attributable to: | | | | |
| - Owners of the parent | 4,080 | 4,458 | 4,080 | 4,458 |
| - Non-controlling interests | <u>306</u> | <u>59</u> | <u>306</u> | <u>59</u> |
| Earnings per ordinary share attributable equity holders of the Company: | | | | |
| Basic and diluted earnings per share (sen) | <u>1.13</u> | <u>1.24</u> | <u>1.13</u> | <u>1.24</u> |

(The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTHS ENDED 31 MARCH 2023**

| | Share Capital RM'000 | <u>Distributable</u> Retained Earnings RM'000 | <u>Total</u> Attributable To Owners of The Parent RM'000 | Non- Controlling Interests RM'000 | Total Equity RM'000 |
|---|-------------------------------------|--|---|--|------------------------------------|
| As at 1 January 2022 | 115,002 | 105,176 | 220,178 | 40,439 | 260,617 |
| Profit for the financial period | 0 | 4,458 | 4,458 | 59 | 4,517 |
| Other comprehensive income, net of tax | 0 | 0 | 0 | 0 | 0 |
| Total comprehensive income for the period | 0 | 4,458 | 4,458 | 59 | 4,517 |
| Transactions with owners | | | | | |
| Dividends | 0 | (3,607) | (3,607) | 0 | (3,607) |
| Total transactions with owners | 0 | (3,607) | (3,607) | 0 | (3,607) |
| As at 31 March 2022 | <u>115,002</u> | <u>106,027</u> | <u>221,029</u> | <u>40,498</u> | <u>261,527</u> |
| As at 1 January 2023 | 115,002 | 111,728 | 226,730 | 40,244 | 266,974 |
| Profit for the financial period | 0 | 4,080 | 4,080 | 306 | 4,386 |
| Other comprehensive income, net of tax | 0 | 0 | 0 | 0 | 0 |
| Total comprehensive income for the period | 0 | 4,080 | 4,080 | 306 | 4,386 |
| As at 31 March 2023 | <u>115,002</u> | <u>115,808</u> | <u>230,810</u> | <u>40,550</u> | <u>271,360</u> |

(The Unaudited Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTHS ENDED 31 MARCH 2023**

| | 3 months ended | |
|---|----------------|----------------|
| | 31.03.23 | 31.03.22 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Profit before tax | 5,802 | 6,055 |
| Adjustments for : | | |
| Bad debts written off | 0 | 26 |
| Reversal of impairment losses on receivables | (272) | 0 |
| Impairment losses on receivables | 0 | 52 |
| Depreciation of property, plant and equipment | 1,217 | 1,370 |
| Depreciation of investment properties | 682 | 662 |
| Depreciation of right-of-use assets | 95 | 100 |
| Interest expense | 129 | 130 |
| Interest income | (393) | (133) |
| Net unrealised (gain) / loss on foreign exchange | (54) | 2 |
| Gain on modification of lease term | 0 | (2) |
| Gain on disposal of property, plant and equipment | (48) | 0 |
| Operating profit before working capital changes | <u>7,158</u> | <u>8,262</u> |
| Decrease in inventories | 9,782 | 1,511 |
| Increase in trade and other receivables | (12,952) | (1,843) |
| Increase in trade and other payables | <u>816</u> | <u>7,859</u> |
| Cash generated from operations | 4,804 | 15,789 |
| Interest paid | (1) | (8) |
| Interest received | 393 | 133 |
| Tax paid | <u>(1,205)</u> | <u>(1,554)</u> |
| Net cash from operating activities | <u>3,991</u> | <u>14,360</u> |
| Cash flows from investing activities | | |
| Proceeds from disposal of property, plant and equipment | 48 | 8 |
| Purchase of property, plant and equipment | (475) | (28) |
| Purchase of investment property | <u>0</u> | <u>(45)</u> |
| Net cash used in investing activities | <u>(427)</u> | <u>(65)</u> |
| Cash flows from financing activities | | |
| Dividends paid | 0 | (3,607) |
| Repayments of short term bank borrowings | 0 | (1,808) |
| Repayments of interest on term loans | (125) | (118) |
| Repayments of lease liabilities | (65) | (69) |
| Net cash used in financing activities | <u>(190)</u> | <u>(5,602)</u> |
| Net increase in cash and cash equivalents | 3,374 | 8,693 |
| Effect of exchange rate changes on cash and cash equivalents | (5) | 10 |
| Cash and cash equivalents at beginning of the financial period | <u>34,568</u> | <u>47,116</u> |
| Cash and cash equivalents at end of the financial period | <u>37,937</u> | <u>55,819</u> |



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTHS ENDED 31 MARCH 2023 (Continued)**

Cash and cash equivalents at the end of the financial period comprise of the following :

| | As at 31.03.23 RM'000 | As at 31.03.22 RM'000 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Cash and bank balances | 6,056 | 5,559 |
| Deposits with licensed banks | 51,881 | 50,260 |
| Less: Deposits pledged as securities | (20,000) | 0 |
| | <u>37,937</u> | <u>55,819</u> |

Reconciliation of liabilities arising from financing activities

| | Lease liabilities RM'000 | Term loans RM'000 |
|---------------------------------|-------------------------------------|------------------------------|
| As at 1 January 2023 | 276 | 19,886 |
| Cash flows | | |
| - repayments | (65) | (125) |
| Non-cash flows | | |
| - addition of lease liabilities | 74 | 0 |
| - unwinding of interest | 3 | 125 |
| As at 31 March 2023 | <u>288</u> | <u>19,886</u> |

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022)



NOTES TO THE INTERIM FINANCIAL REPORT

PART A : EXPLANATORY NOTES AS PER MFRS 134

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standards ('MFRS') No. 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2022.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited consolidated financial statements of the Group for the financial year ended 31 December 2022.

The Group had adopted the following Amendments to Standards, with a date of initial application of 1 January 2023.

MFRS 17 Insurance Contracts

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 Disclosure of Accounting Policies

Amendments to MFRS 108 Definition of Accounting Estimates

Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Adoption of the above Amendments to Standards did not have any material effect on the financial performance or position of the Group.

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

Amendments to MFRS 16 Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 Classification of Liabilities as Current or Non-current

Amendments to MFRS 101 Non-current Liabilities with Covenants

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group does not expect the adoption of the above Standards and Amendments to Standards to have a significant impact on the financial statements.

A2. Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2022 was not subject to any qualification.

A3. Seasonal and Cyclical factors

Other than solar and renting of properties segment, the Group's products are subject to some seasonality whereby will be peaks before the major festivals such as Hari Raya, Christmas day, New Year and Chinese New Year.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows because of their nature, size, or incidence for the current quarter under review and financial year to date.

A5. Material Changes in Estimates

There were no other changes in accounting estimates of amounts reported in prior interim periods or the current financial period or changes in estimates of amounts reported in prior financial years.

A6. Issuances and repayment of debt and equity securities

For the financial year to date, there was no issuances, cancellations, repurchases, resale and repayments of debt and equity securities.

A7. Dividend paid

There was no dividend paid during the current quarter.



NOTES TO THE INTERIM FINANCIAL REPORT

A8. Other Operating Income

| | Current Quarter 31.03.2023 RM'000 | 3 months Cumulative 31.03.2023 RM'000 |
|---|--|--|
| Interest income | 393 | 393 |
| Gain on disposal of property, plant and equipment | 48 | 48 |
| Foreign exchange gain | 406 | 406 |
| Rental income | 266 | 266 |
| Reversal of impairment losses on receivables | 272 | 272 |
| Transportation charges | 1,508 | 1,508 |
| Total other operating income | <u>2,893</u> | <u>2,893</u> |

A9. Operating Expenses

| | Current Quarter 31.03.2023 RM'000 | 3 months Cumulative 31.03.2023 RM'000 |
|---|--|--|
| Depreciation of property, plant and equipment | 328 | 328 |
| Depreciation of investment properties | 682 | 682 |
| Depreciation of right-of-use assets | 71 | 71 |
| Salaries, allowances and bonus | 2,285 | 2,285 |
| Transportation | 1,974 | 1,974 |
| General repairs and maintenance | 170 | 170 |
| Others | 1,282 | 1,282 |
| Total operating expenses | <u>6,792</u> | <u>6,792</u> |

A10. Finance costs

| | Current Quarter 31.03.2023 RM'000 | 3 months Cumulative 31.03.2023 RM'000 |
|--|--|--|
| Interest on term loans | 125 | 125 |
| Interest on lease liabilities | 3 | 3 |
| Interest on foreign currency trust receipt | 0 | 0 |
| Others | 1 | 1 |
| Total finance costs | <u>129</u> | <u>129</u> |

A11. Segmental Reporting

The Group is principally involved in investment holding and its subsidiaries are principally engaged in manufacturing and trading of Polyvinyl Chloride ('PVC') related products and Polypropylene ('PP') Non-Woven, trading of photovoltaic products and generate and supply the renewable energy and renting of properties.

The Group has arrived at three (3) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies.

The reportable segments are summarised as follows:

- (i) PVC
Manufacturing and trading of PVC Sheeting, PP Non-Woven, PP Transparent and Translucent Sheet, PVC Leather related products for industrial and consumer use.
- (ii) Solar
Trading of photovoltaic products and Generate and supply the renewable energy.
- (iii) Renting of Properties
Rental income from investment properties



NOTES TO THE INTERIM FINANCIAL REPORT

A11. Segmental Reporting (Cont'd)

1 January 2023 to 31 March 2023

Revenue

| | PVC RM'000 | Solar RM'000 | Renting of Properties RM'000 | Group RM'000 |
|---------------------------------|---------------|-----------------|------------------------------------|-----------------|
| Total revenue | 64,862 | 624 | 2,131 | 67,617 |
| Elimination | (14,010) | 0 | 0 | (14,010) |
| Revenue from external customers | 50,852 | 624 | 2,131 | 53,607 |

Results

| | | | | |
|------------------------|--------------|------------|------------|--------------|
| Segment results | 2,009 | 233 | 796 | 3,038 |
| Other operating income | 2,863 | 7 | 23 | 2,893 |
| Finance costs | (4) | (28) | (97) | (129) |
| Profit before tax | 4,868 | 212 | 722 | 5,802 |
| Income tax expense | (1,220) | (44) | (152) | (1,416) |
| Profit for the period | 3,648 | 167 | 571 | 4,386 |

Assets

| | | | |
|----------------|---------------|---------------|----------------|
| 193,607 | 29,021 | 99,107 | 321,735 |
|----------------|---------------|---------------|----------------|

Liabilities

| | | | |
|---------------|--------------|---------------|---------------|
| 24,058 | 5,961 | 20,356 | 50,375 |
|---------------|--------------|---------------|---------------|

1 January 2022 to 31 March 2022

Revenue

| | PVC RM'000 | Solar RM'000 | Renting of Properties RM'000 | Group RM'000 |
|---------------------------------|---------------|-----------------|------------------------------------|-----------------|
| Total revenue | 66,727 | 503 | 1,745 | 68,975 |
| Elimination | (12,538) | 0 | 0 | (12,538) |
| Revenue from external customers | 54,189 | 503 | 1,745 | 56,437 |

Results

| | | | | |
|------------------------|--------------|-----------|------------|--------------|
| Segment results | 4,429 | 56 | 193 | 4,678 |
| Other operating income | 1,500 | 2 | 5 | 1,507 |
| Finance costs | (12) | (26) | (92) | (130) |
| Profit before tax | 5,917 | 32 | 106 | 6,055 |
| Income tax expense | (1,538) | 0 | 0 | (1,538) |
| Profit for the period | 4,379 | 32 | 106 | 4,517 |

Assets

| | | | |
|----------------|---------------|---------------|----------------|
| 190,873 | 28,709 | 99,597 | 319,179 |
|----------------|---------------|---------------|----------------|

Liabilities

| | | | |
|---------------|--------------|---------------|---------------|
| 33,657 | 5,369 | 18,626 | 57,652 |
|---------------|--------------|---------------|---------------|

A12. Valuation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment by the Group since the last audited financial statements for the financial year ended 31 December 2022.

A13. Subsequent Events

On 5 April 2023, the Group had entered into Sale and Purchase Agreement for the acquisition of a piece of freehold vacant land known as Lot No. 1700, Mukim 14, Daerah Seberang Perai Tengah, Penang for a purchase consideration of RM26,982,947 and it has not been completed as at 25 May 2023.

On 5 April 2023, the Group had entered into Sale and Purchase Agreement for the acquisition of two pieces of freehold vacant land known as Lot No. 1668 and Lot 1701, Mukim 14, Daerah Seberang Perai Tengah, Penang for a purchase consideration of RM2,181,947 and RM4,795,107 respectively and it has not been completed as at 25 May 2023.

A14. Changes In The Composition of The Group

There were no changes in the composition of the Group for the current year to date.



NOTES TO THE INTERIM FINANCIAL REPORT

A15. Contingent Liabilities

| | |
|---|-------------------|
| | 31.03.2023 |
| | RM'000 |
| Secured corporate guarantees given to licensed banks for facilities granted to subsidiaries | 23,660 |
| Unsecured corporate guarantees given to suppliers of subsidiaries | 4,409 |
| | <u>28,069</u> |

A16. Capital Commitments

There were no material capital commitments in respect of property, plant and equipment for the interim financial statements as at 31 March 2023.

PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING

B1. Review of Performance

Table 1 : Financial Review for current quarter and financial period to date

| | Current Quarter 3 months ended | | Changes + / - | | Cumulative Quarter 3 months ended | | Changes + / - | |
|---|-----------------------------------|----------|---------------|---------|--------------------------------------|----------|---------------|---------|
| | 31.03.23 | 31.03.22 | | | 31.03.23 | 31.03.22 | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | % |
| Revenue | 53,607 | 56,437 | (2,830) | (5.01) | 53,607 | 56,437 | (2,830) | (5.01) |
| Gross profit | 9,830 | 12,361 | (2,531) | (20.48) | 9,830 | 12,361 | (2,531) | (20.48) |
| Profit before interest and tax | 5,538 | 6,052 | (514) | (8.49) | 5,538 | 6,052 | (514) | (8.49) |
| Profit before tax | 5,802 | 6,055 | (253) | (4.18) | 5,802 | 6,055 | (253) | (4.18) |
| Profit for the period | 4,386 | 4,517 | (131) | (2.90) | 4,386 | 4,517 | (131) | (2.90) |
| Profit attributable to owners of the parent | 4,080 | 4,458 | (378) | (8.48) | 4,080 | 4,458 | (378) | (8.48) |

Current Quarter vs. Previous Year Corresponding Quarter

For the current quarter, the Group recorded a revenue of RM53.6 million while profit before tax was recorded at RM5.8 million. When compared to corresponding quarter of 31 March 2022, the revenue was recorded at RM56.4 million while profit before tax was recorded at RM6.1 million.

Performance of the respective operating business segments for the current quarter as compared to the previous year corresponding quarter is analysed as follows:-

(1) PVC - The decrease in profit before tax by RM1.0 million from RM5.9 million to RM4.9 million was mainly due to lower revenue and higher operating costs.

(2) Solar - The increase in profit before tax by RM180,000 from RM32,000 to RM212,000 was mainly due to increase of sale of solar energy.

(3) Renting of properties - The increase in profit before tax by RM616,000 from RM106,000 to RM722,000 was mainly due to the additional rental income by renting out the extra space to existing tenants.

B2. Variation of Results Against Preceding Quarter

Table 2 : Financial Review for current quarter and compared with immediate preceding quarter

| | Current Quarter | Preceding Quarter | Changes | |
|---|-------------------|-------------------|---------|----------|
| | 01.01.23-31.03.23 | 01.10.22-31.12.22 | RM'000 | % |
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 53,607 | 33,110 | 20,497 | 61.91 |
| Gross profit | 9,830 | 4,611 | 5,219 | 113.19 |
| Profit before interest and tax | 5,538 | 1,384 | 4,154 | 300.14 |
| Profit before tax | 5,802 | 1,518 | 4,284 | 282.21 |
| Profit for the period | 4,386 | 93 | 4,293 | 4,616.13 |
| Profit attributable to owners of the parent | 4,080 | 155 | 3,925 | 2,532.26 |



NOTES TO THE INTERIM FINANCIAL REPORT

B2. Variation of Results Against Preceding Quarter (Cont'd)

The Group revenue increased by RM20.5 million in the current quarter, representing 61.9% increase from RM33.1 million in the preceding quarter due to higher revenue contributed by the PVC segments.

The Group's profit before tax for the current quarter is RM5.8 million compared to profit before tax RM1.5 million as recorded in the preceding quarter. This was mainly due to higher sales mix in the current quarter of 2023.

B3. Prospects

The Board of Directors foresees the performance of the Group for 2023 to be very challenging for its PVC business due to poor and weak economy overall. Operational cost has been rising mainly due to the increase in labour cost as well as the increase in TNB electricity tariff for higher voltage consumers. These would worsen our situation and unable to compete in the global market especially when China had opened up its border to the world.

In the domestic market, it is expected to be relatively weak and slow in term of consumer spending for our products. Rising cost of living remains the main issue of the Malaysian domestic consumers and this may be challenging for household products. However, the Group will be cautious and prudent in managing the business operations in the coming months. The consumer purchasing power has been slow and will continue to be weak for FY 2023.

For the industrial land acquired on August 2021, the Group is looking to set up a new warehouse, factory and a worker's dormitory. The Group is also looking to restructure our current manufacturing facilities in order to provide leaner and more efficient way of operation. Currently, the industrial land has been amalgamated and is waiting for further approval from authorities for subdivision.

For the industrial recently acquired in FY 2023, the Group has no plan to develop it in the short term. The land is adjacent to the Group existing industrial land. The land serves as an investment for future developments.

As for solar segment, the Company continues to generate income from the 1.18 MW solar energy arising from the solar panel installed. For renting of properties segment, the factory buildings of TS Solartech Sdn. Bhd. had been rented out.

B4. Variance of Actual and Forecast Revenue

Not applicable.

B5. Income Tax Expense

| | Current Quarter | 3 months |
|---|------------------------|-------------------|
| | 31.03.23 | Cumulative |
| | RM'000 | 31.03.23 |
| | | RM'000 |
| Current tax expense | | |
| - current | 1,430 | 1,430 |
| Deferred tax expense | | |
| - origination and reversal of temporary differences | (14) | (14) |
| Total tax expense | <u>1,416</u> | <u>1,416</u> |

The Group's effective tax rate for the current period differs from the statutory tax rate due to certain expenses which are not deductible for tax purposes.

B6. Sale of Unquoted Investments and/or Properties

There were no sale of unquoted investments and/or properties for the current quarter and financial year to date.

B7. Status of Corporate Proposal

There were no corporate proposals announced as at the date of issue of this interim financial report.



NOTES TO THE INTERIM FINANCIAL REPORT

B8. Trade Receivables

| | At end of current financial quarter 31.03.2023 RM'000 | At end of previous financial year 31.12.2022 RM'000 |
|--------------------------|--|--|
| Trade receivables | 29,930 | 21,020 |
| Less : Impairment losses | (513) | (785) |
| | <u>29,417</u> | <u>20,235</u> |

The trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 120 days terms.

a) Ageing analysis of trade receivables of the Group is as follows:

| | At end of current financial quarter 31.03.2023 RM'000 | At end of previous financial year 31.12.2022 RM'000 |
|-------------------|--|--|
| Not past due | 20,194 | 13,568 |
| Past due | | |
| 1 to 30 days | 6,635 | 4,516 |
| 31 to 60 days | 1,636 | 1,487 |
| 61 to 90 days | 1,058 | 657 |
| More than 91 days | 407 | 792 |
| | <u>9,736</u> | <u>7,452</u> |
| | 29,930 | 21,020 |
| Impairment | (513) | (785) |
| | <u>29,417</u> | <u>20,235</u> |

b) The Group assesses the impairment on trade receivable based on expected credit loss model.

B9. Related party disclosures

- i) Identity of related party
 - The Company has controlling related party relationship with its direct subsidiaries.
- ii) The Group had no transaction with related party during the financial period.

B10. Group Borrowings

The Group's borrowings as at the end of the reporting quarter were as follows:

| | As at 31.03.2023 | | |
|----------------|----------------------|---------------------|-----------------|
| | Short term RM'000 | Long term RM'000 | Total RM'000 |
| Secured | | | |
| Term loans | 0 | 19,886 | 19,886 |
| | <u>0</u> | <u>19,886</u> | <u>19,886</u> |

B11. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

B12. Material Litigation

The Group is not engaged in any material litigation as at the date of this report (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).



NOTES TO THE INTERIM FINANCIAL REPORT

B13. Earnings Per Share

(a) Basic Earnings Per Share

The basic earnings per share for the current financial quarter and current financial year-to-date had been calculated by dividing the Group's profit for the period attributable to equity holders of the Company by the number of shares in issue.

| | Individual Current Quarter | | 3 Months Cumulative To Date | |
|---|-------------------------------|-------------|--------------------------------|-------------|
| | 31.03.23 | 31.03.22 | 31.03.23 | 31.03.22 |
| Profit for the period attributable to ordinary equity holders of the Company (RM'000) | 4,080 | 4,458 | 4,080 | 4,458 |
| Number of ordinary shares in issue ('000) | 360,668 | 360,668 | 360,668 | 360,668 |
| Basic Earnings Per Share based on number of ordinary shares in issue (sen) | 1.13 | 1.24 | 1.13 | 1.24 |

(b) Diluted Earnings Per Share

The diluted earnings per share of the Group is equal to the basic earnings per share as the Group does not have any potential dilutive ordinary shares in issue.

B14. Provision of Financial Assistance

There has been no additional financial assistance provided pursuant to Paragraph 8.23 of the Main Market Listing Requirement during the current quarter.

B15. Reviews By External Auditors

The Board had engaged the external auditors to review and report on the condensed consolidated financial statements of Tek Seng Holdings Bhd. for the first quarter ended 31 March 2023 in accordance with International Standard on Review Engagements 2410 (ISRE2410), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

The external auditors reported to the Board that nothing has come to their attention that causes them to believe that the said condensed consolidated financial statements were not presented fairly, in all material respects, in accordance with MFRS134 : Interim Financial Reporting in Malaysia. The report was made to the Board in accordance to the terms of reference with the external auditors and for no other purpose.

By order of the Board

TEK SENG HOLDINGS BERHAD

LOH KOK BENG
EXECUTIVE CHAIRMAN
Dated : 25 May 2023