



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

	(Unaudited) As At 30.09.23 RM'000	(Audited) As At 31.12.22 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	74,621	77,050
Right-of-use assets	5,494	5,515
Investment properties	117,187	117,126
	<u>197,302</u>	<u>199,691</u>
Current assets		
Inventories	31,270	35,273
Trade receivables	18,345	20,235
Other receivables, deposits and prepayments	8,723	4,554
Current tax assets	2,059	2,369
Cash and bank balances	61,453	54,568
	<u>121,850</u>	<u>116,999</u>
TOTAL ASSETS	<u>319,152</u>	<u>316,690</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	115,002	115,002
Retained earnings	117,709	111,728
	<u>232,711</u>	<u>226,730</u>
Non-controlling interests	41,287	40,244
Total equity	<u>273,998</u>	<u>266,974</u>
LIABILITIES		
Non-current liabilities		
Borrowings	0	19,886
Lease liabilities	302	92
Deferred tax liabilities	4,218	4,484
	<u>4,520</u>	<u>24,462</u>
Current liabilities		
Trade payables	3,655	2,787
Other payables	16,651	22,103
Borrowings	19,886	0
Lease liabilities	48	184
Current tax liabilities	394	180
	<u>40,634</u>	<u>25,254</u>
Total liabilities	<u>45,154</u>	<u>49,716</u>
TOTAL EQUITY AND LIABILITIES	<u>319,152</u>	<u>316,690</u>
Net Assets per Share (RM)	0.76	0.74
Net Assets (RM'000)	273,998	266,974

(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 NINE-MONTHS ENDED 30 SEPTEMBER 2023

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30.09.23 RM'000	30.09.22 RM'000	30.09.23 RM'000	30.09.22 RM'000
Revenue	29,052	40,199	118,783	149,484
Cost of sales	(23,199)	(31,595)	(95,281)	(117,061)
Gross profit	<u>5,853</u>	<u>8,604</u>	<u>23,502</u>	<u>32,423</u>
Other operating income	1,452	1,493	5,483	4,528
Operating expenses	(5,339)	(7,354)	(17,954)	(23,568)
(Impairment losses on trade receivables) / Reversal of impairment losses on receivables	(517)	411	(907)	82
Finance costs	(137)	(130)	(395)	(396)
Profit before tax	<u>1,312</u>	<u>3,024</u>	<u>9,729</u>	<u>13,069</u>
Tax expense	(447)	(32)	(2,705)	(2,698)
Profit for the period	<u>865</u>	<u>2,992</u>	<u>7,024</u>	<u>10,371</u>
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income for the period	<u><u>865</u></u>	<u><u>2,992</u></u>	<u><u>7,024</u></u>	<u><u>10,371</u></u>
Profit for the period attributable to:				
- Owners of the parent	473	2,769	5,981	10,010
- Non-controlling interests	<u>392</u>	<u>223</u>	<u>1,043</u>	<u>361</u>
Total comprehensive income for the period attributable to:				
- Owners of the parent	473	2,769	5,981	10,010
- Non-controlling interests	<u>392</u>	<u>223</u>	<u>1,043</u>	<u>361</u>
Earnings per ordinary share attributable equity holders of the Company:				
Basic and diluted earnings per share (sen)	<u>0.13</u>	<u>0.77</u>	<u>1.66</u>	<u>2.78</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 NINE-MONTHS ENDED 30 SEPTEMBER 2023**

	Share Capital RM'000	<u>Distributable</u> Retained Earnings RM'000	Total 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	10,010	10,010	361	10,371
Other comprehensive income, net of tax	0	0	0	0	0
Total comprehensive income for the period	0	10,010	10,010	361	10,371
Transactions with owners					
Acquisition of shares from non-controlling interests	0	(6)	(6)	(494)	(500)
Dividends	0	(3,607)	(3,607)	0	(3,607)
Total transactions with owners	0	(3,613)	(3,613)	(494)	(4,107)
As at 30 September 2022	115,002	111,573	226,575	40,306	266,881
As at 1 January 2023	115,002	111,728	226,730	40,244	266,974
Profit for the financial period	0	5,981	5,981	1,043	7,024
Other comprehensive income, net of tax	0	0	0	0	0
Total comprehensive income for the period	0	5,981	5,981	1,043	7,024
As at 30 September 2023	115,002	117,709	232,711	41,287	273,998

(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 NINE-MONTHS ENDED 30 SEPTEMBER 2023**

	9 months ended	
	30.09.23	30.09.22
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	9,729	13,069
Adjustments for :		
Bad debts written off	0	26
Reversal of impairment losses on receivables	0	(411)
Impairment losses on receivables	907	329
Depreciation of property, plant and equipment	3,413	4,089
Depreciation of investment properties	2,076	1,995
Depreciation of right-of-use assets	290	288
Interest expense	395	396
Interest income	(1,417)	(733)
Net unrealised gain on foreign exchange	(188)	(67)
Gain on modification of lease term	(6)	(2)
Gain on disposal of property, plant and equipment	(133)	0
Operating profit before working capital changes	<u>15,066</u>	<u>18,979</u>
Decrease/(Increase) in inventories	4,003	(5,235)
(Increase)/Decrease in trade and other receivables	(3,087)	4,672
(Decrease)/Increase in trade and other payables	<u>(4,602)</u>	<u>2,556</u>
Cash generated from operations	11,382	20,972
Interest paid	(1)	(12)
Interest received	1,417	733
Tax paid	<u>(2,446)</u>	<u>(5,075)</u>
Net cash from operating activities	<u>10,350</u>	<u>16,618</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	133	8
Purchase of property, plant and equipment	(652)	(2,945)
Purchase of investment property	(2,470)	(1,337)
Acquisition of equity interest from non-controlling interest	0	(500)
Net cash used in investing activities	<u>(2,989)</u>	<u>(4,774)</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	(385)	(361)
Repayments of lease liabilities	<u>(197)</u>	<u>(196)</u>
Net cash used in financing activities	<u>(582)</u>	<u>(5,972)</u>
Net increase in cash and cash equivalents	6,779	5,872
Effect of exchange rate changes on cash and cash equivalents	106	116
Cash and cash equivalents at beginning of the financial period	34,568	47,116
Cash and cash equivalents at end of the financial period	<u>41,453</u>	<u>53,104</u>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTHS ENDED 30 SEPTEMBER 2023 (Continued)**

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

	As at 30.09.23 RM'000	As at 30.09.22 RM'000
Cash and bank balances	2,433	1,632
Deposits with licensed banks	59,020	51,472
	<u>61,453</u>	<u>53,104</u>
Less: Deposits pledged as securities	(20,000)	0
	<u>41,453</u>	<u>53,104</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	(197)	(385)
Non-cash flows		
- addition of lease liabilities	268	0
- unwinding of interest	9	385
- effect of modification of lease term	(6)	0
As at 30 September 2023	<u>350</u>	<u>19,886</u>

	Short term bank borrowings RM'000	Lease liabilities RM'000	Term loans RM'000
As at 1 January 2022	1,808	588	19,875
Cash flows			
- repayments	(1,808)	(196)	(361)
Non-cash flows			
- addition of lease liabilities	0	67	0
- unwinding of interest	0	11	372
- effect of modification of lease term	0	(134)	0
As at 30 September 2022	<u>0</u>	<u>336</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

Amendments to MFRS 112 International Tax Reform - Pillar Two Model Rules

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 107 and MFRS 7 Supplier Finance Arrangements

Amendments to MFRS 121 Lack of Exchangeability

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.



NOTES TO THE INTERIM FINANCIAL REPORT

A7. Dividend paid

There was no dividend paid during the current quarter.

A8. Other Operating Income

	Current Quarter 30.09.2023 RM'000	Current Quarter 30.09.2022 RM'000	9 months Cumulative 30.09.2023 RM'000	9 months Cumulative 30.09.2022 RM'000
Interest income	560	461	1,417	733
Gain on disposal of property, plant and equipment	85	0	133	0
Foreign exchange gain	37	0	537	0
Rental income	119	189	484	334
Reversal of impairment losses on receivables	0	0	0	0
Transportation charges	651	843	2,912	3,461
Total other operating income	1,452	1,493	5,483	4,528

A9. Operating Expenses

	Current Quarter 30.09.2023 RM'000	Current Quarter 30.09.2022 RM'000	9 months Cumulative 30.09.2023 RM'000	9 months Cumulative 30.09.2022 RM'000
Depreciation of property, plant and equipment	331	408	976	1,238
Depreciation of investment properties	692	668	2,076	1,995
Depreciation of right-of-use assets	75	70	218	216
Salaries, allowances and bonus	2,293	2,307	6,940	6,934
Transportation	971	2,286	4,288	8,268
General repairs and maintenance	239	380	602	1,414
Others	738	1,235	2,854	3,503
Total operating expenses	5,339	7,354	17,954	23,568

A10. Finance costs

	Current Quarter 30.09.2023 RM'000	Current Quarter 30.09.2022 RM'000	9 months Cumulative 30.09.2023 RM'000	9 months Cumulative 30.09.2022 RM'000
Interest on term loans	133	125	385	372
Interest on lease liabilities	4	3	9	11
Interest on foreign currency trust receipt	0	0	0	7
Others	0	2	1	6
Total finance costs	137	130	395	396



NOTES TO THE INTERIM FINANCIAL REPORT

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, generate and supply the renewable energy.
- (iii) Renting of Properties
Rental income from investment properties

1 July 2023 to 30 September 2023

Revenue

	<u>PVC</u> RM'000	<u>Solar</u> RM'000	<u>Renting of</u> <u>Properties</u> RM'000	<u>Group</u> RM'000
Total revenue	32,636	491	2,214	35,341
Inter-segment revenue	(6,289)	0	0	(6,289)
Revenue from external customers	<u>26,347</u>	<u>491</u>	<u>2,214</u>	<u>29,052</u>

Results

Segment results	(1,334)	246	1,085	(3)
Other operating income	1,424	5	23	1,452
Finance costs	(5)	(24)	(108)	(137)
Profit before tax	85	227	1,000	1,312
Income tax expense	(153)	(55)	(239)	(447)
Profit for the period	<u>(68)</u>	<u>172</u>	<u>761</u>	<u>865</u>

1 July 2022 to 30 September 2022

Revenue

	<u>PVC</u> RM'000	<u>Solar</u> RM'000	<u>Renting of</u> <u>Properties</u> RM'000	<u>Group</u> RM'000
Total revenue	45,876	450	1,944	48,270
Inter-segment revenue	(8,071)	0	0	(8,071)
Revenue from external customers	<u>37,805</u>	<u>450</u>	<u>1,944</u>	<u>40,199</u>

Results

Segment results	956	133	572	1,661
Other operating income	1,470	4	19	1,493
Finance costs	(5)	(23)	(102)	(130)
Profit before tax	2,421	114	489	3,024
Income tax expense	(32)	0	0	(32)
Profit for the period	<u>2,389</u>	<u>114</u>	<u>489</u>	<u>2,992</u>



NOTES TO THE INTERIM FINANCIAL REPORT

A11. Segmental Reporting (Cont'd)

	<u>PVC</u> RM'000	<u>Solar</u> RM'000	<u>Renting of Properties</u> RM'000	<u>Group</u> RM'000
1 January 2023 to 30 September 2023				
Revenue				
Total revenue	138,996	1,637	6,477	147,110
Inter-segment revenue	(28,327)	0	0	(28,327)
Revenue from external customers	110,669	1,637	6,477	118,783
Results				
Segment results	1,111	712	2,818	4,641
Other operating income	5,393	18	72	5,483
Finance costs	(11)	(77)	(307)	(395)
Profit before tax	6,493	653	2,583	9,729
Income tax expense	(1,957)	(151)	(597)	(2,705)
Profit for the period	4,536	502	1,986	7,024
Assets	193,591	25,332	100,229	319,152
Liabilities	19,029	5,271	20,854	45,154

	<u>PVC</u> RM'000	<u>Solar</u> RM'000	<u>Renting of Properties</u> RM'000	<u>Group</u> RM'000
1 January 2022 to 30 September 2022				
Revenue				
Total revenue	175,796	1,216	5,510	182,522
Inter-segment revenue	(33,038)	0	0	(33,038)
Revenue from external customers	142,758	1,216	5,510	149,484
Results				
Segment results	7,699	224	1,014	8,937
Other operating income	4,490	7	31	4,528
Finance costs	(24)	(67)	(305)	(396)
Profit before tax	12,165	164	740	13,069
Income tax expense	(2,698)	0	0	(2,698)
Profit for the period	9,467	164	740	10,371
Assets	187,732	23,571	106,805	318,108
Liabilities	25,130	4,718	21,379	51,227

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.



NOTES TO THE INTERIM FINANCIAL REPORT

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 been completed as at the date of this report. Announcement made on 2.10.2023.

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 No.1701, Mukim 14, Daerah Seberang Perai Tengah, Penang for a purchase consideration of RM2,181,947 and RM4,795,107 respectively and it has been completed as at the date of this report. Announcement made on 2.10.2023.

On 12 July 2023, the Group had entered into Sale and Purchase Agreement for the acquisition of a piece of freehold vacant land known as Lot No.1662, Mukim 14, Daerah Seberang Perai Tengah, Penang for a purchase consideration of RM3,362,135 and it has been completed as at the date of this report. Balance payment made on 9.10.2023.

On 12 July 2023, the Group had entered into Sale and Purchase Agreement for the acquisition of a piece of freehold vacant land known as Lot No.1703, Mukim 14, Daerah Seberang Perai Tengah, Penang for a purchase consideration of RM530,028 and it has been completed as at the date of this report. Balance payment made on 9.10.2023.

A14. Changes In The Composition of The Group

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

A15. Contingent Liabilities

	30.09.2023
	RM'000
Secured corporate guarantees given to licensed banks for facilities granted to subsidiaries	23,660
Unsecured corporate guarantees given to suppliers of subsidiaries	4,690
	28,350

A16. Capital Commitments

	30.09.2023
	RM'000
The amount of capital commitments in respect of property, plant and equipment for the interim financial statements:-	
- Contracted but not provided for	34,067
	34,067

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 9 months ended		Changes + / -	
	30.09.23	30.09.22			30.09.23	30.09.22		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	29,052	40,199	(11,147)	(27.73)	118,783	149,484	(30,701)	(20.54)
Gross profit	5,853	8,604	(2,751)	(31.97)	23,502	32,423	(8,921)	(27.51)
Profit before interest and tax	889	2,693	(1,804)	(66.99)	8,707	12,732	(4,025)	(31.61)
Profit before tax	1,312	3,024	(1,712)	(56.61)	9,729	13,069	(3,340)	(25.56)
Profit for the period	865	2,992	(2,127)	(71.09)	7,024	10,371	(3,347)	(32.27)
Profit attributable to owners of the parent	473	2,769	(2,296)	(82.92)	5,981	10,010	(4,029)	(40.25)

a) Current Year-to date vs. Previous Year-to-date

For the period ended 30 September 2023, the Group recorded a revenue of RM118.8 million while profit before tax was recorded at RM9.7 million. The major contributor of the Group's revenue was from PVC segment for the period ended 30 September 2023. When compared to corresponding period of 30 September 2022, the revenue was recorded at RM149.5 million while profit before tax was recorded at RM13.1 million.



NOTES TO THE INTERIM FINANCIAL REPORT

B1. Review of Performance (Cont'd)

a) Current Year-to date vs. Previous Year-to-date (Cont'd)

Performance of the respective operating business segments for the period ended 30 September 2023 as compared to the previous year corresponding period is analysed as follows:-

- 1) PVC - The decrease in profit before tax by RM5.7 million from RM12.2 million to RM6.5 million was mainly due to lower revenue and higher operating costs.
- 2) Solar - The increase in profit before tax by RM489,000 from RM164,000 to RM653,000 was mainly due to increase of sale of solar energy.
- (3) Renting of properties - The increase in profit before tax by RM1.9 million from RM0.7 million to profit before tax RM2.6 million was mainly due to the additional rental income by renting out the extra space to existing tenants.

b) Current Quarter vs. Previous Year Corresponding Quarter

For the current quarter, the Group recorded a revenue of RM29.1 million while profit before tax was recorded at RM1.3 million. When compared to corresponding quarter of 30 September 2022, the revenue was recorded at RM40.2 million while profit before tax was recorded at RM3.0 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 RM2.3 million from RM2.4 million to RM0.1 million was mainly due to lower revenue and higher operating costs.
- (2) Solar - The increase in profit before tax by RM113,000 from RM114,000 to RM227,000 was mainly due to increase of sale of solar energy.
- (3) Renting of properties - The increase in profit before tax by RM511,000 from RM489,000 to RM1.0 million 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	
	01.07.23-30.09.23	01.04.23-30.06.23	RM'000	%
	RM'000	RM'000	RM'000	
Revenue	29,052	36,124	(7,072)	(19.58)
Gross profit	5,853	7,819	(1,966)	(25.14)
Profit before interest and tax	889	2,280	(1,391)	(61.01)
Profit before tax	1,312	2,615	(1,303)	(49.83)
Profit for the period	865	1,773	(908)	(51.21)
Profit attributable to owners of the parent	473	1,428	(955)	(66.88)

The Group revenue decreased by RM7.1 million in the current quarter, representing 19.58% decrease from RM36.1 million in the preceding quarter due to lower revenue contributed by the PVC segments.

The Group's profit before tax for the current quarter is RM1.3 million compared to profit before tax RM2.6 million as recorded in the preceding quarter. This was mainly due to lower revenue in the current quarter of 2023.



NOTES TO THE INTERIM FINANCIAL REPORT

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 land 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 30.09.2023 RM'000	Current Quarter 30.09.2022 RM'000	9 months Cumulative 30.09.2023 RM'000	9 months Cumulative 30.09.2022 RM'000
Current tax expense				
- current	534	538	2,902	3,332
- prior years (under provision / (over provision))	68	(436)	68	(436)
Deferred tax expense				
- origination and reversal of temporary differences	(155)	(70)	(265)	(198)
Total tax expense	<u>447</u>	<u>32</u>	<u>2,705</u>	<u>2,698</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 30.09.2023 RM'000	At end of previous financial year 31.12.2022 RM'000
Trade receivables	20,037	21,020
Less : Impairment losses	<u>(1,692)</u>	<u>(785)</u>
	<u>18,345</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 30.09.2023 RM'000	At end of previous financial year 31.12.2022 RM'000
Not past due	10,023	13,568
Past due		
1 to 30 days	5,193	4,516
31 to 60 days	1,804	1,487
61 to 90 days	1,313	657
More than 91 days	1,704	792
	<u>10,014</u>	<u>7,452</u>
	20,037	21,020
Impairment	<u>(1,692)</u>	<u>(785)</u>
	<u>18,345</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 30.09.2023		
	Current RM'000	Non current RM'000	Total RM'000
Secured			
Term loans	19,886	0	19,886
	<u>19,886</u>	<u>0</u>	<u>19,886</u>
	As at 31.12.2022		
	Current RM'000	Non current 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).



NOTES TO THE INTERIM FINANCIAL 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).

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		9 Months	
	Current Quarter		Cumulative To Date	
	30.09.23	30.09.22	30.09.23	30.09.22
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	473	2,769	5,981	10,010
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	0.13	0.77	1.66	2.78

(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 third quarter ended 30 September 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 : 23 November 2023