

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THRID (3<sup>rd</sup>) QUARTER ENDED  
30 SEPTEMBER 2021

PART B – EXPLNATORY NOTES PERSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING  
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

**B1 Performance Review**

**(a) Results for current quarter**

The Group recorded a revenue of approximately RM1.32 million and loss before tax of approximately RM1.16 million for the current financial quarter ended 30 September 2021.

The Group's revenue mainly derived from the design, manufacture and sales of home furniture and furniture parts. The Group's manufacturing operations have been disrupted in current financial quarter due to the ongoing COVID-19 pandemic.

The lower revenue was mainly attributable to the implementation of the Full Movement Control Order("FMCO") effective from 1 June 2021 and subsequently the Phase One of Movement Control under the National Recovery Plan ("Phase One of NRP"). The Group's manufacturing activities were temporarily suspended from 1 June 2021 and had only been able to operate in full capacity from 20 September 2021, after fulfilment of the vaccination requirement.

**(b) Results for financial year-to-date**

The Group recorded a revenue of approximately RM41.98 million and profit before tax of approximately RM4.75 million for the current financial period ended 30 September 2021.

North America remains as our largest revenue contributor which contributed 45.97% of the total cumulative revenue for the current financial period ended 30 September 2021.

This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the third (3<sup>rd</sup>) quarter ended 30 September 2021 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding quarter.

**B2 Comparison with Immediate Preceding Quarter Results**

	Individual Quarter		Changes	
	Unaudited Current Quarter 30.09.2021 RM'000	Unaudited Preceding Quarter 30.06.2021 RM'000	RM'000	%
Revenue	1,315	14,737	(13,422)	(91.08)
(Loss)/Profit before tax	(1,155)	2,166	(3,321)	(153.32)

The Group's revenue for the current financial quarter ended 30 September 2021 decreased by approximately RM13.42 million or 91.08% to approximately RM1.32 million compared to RM14.74 million in the preceding financial quarter ended 30 June 2021. The decrease in

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THRID (3<sup>rd</sup>) QUARTER ENDED  
30 SEPTEMBER 2021**

---

revenue was mainly due to the ongoing COVID-19 pandemic as well as disruptions in manufacturing operations as explained in Note B1(a).

The Group's (loss)/profit before tax for the current financial quarter ended 30 September 2021 decreased by approximately of RM3.32 million or 153.32% from a profit of RM2.17 million in the preceding financial quarter ended 30 June 2021 to a loss of RM1.16 million due to the decrease in revenue as a result of the ongoing COVID-19 pandemic as well as the disruptions as explained in Note B1(a) while continued to incur fixed costs.

**B3 Prospect for the Current Financial Year**

The Group operates within the furniture manufacturing industry in Malaysia. Many sectors of the economy including the furniture manufacturing industry have been adversely affected by the ongoing Covid-19 pandemic and the imposition of various movement control orders. In view of the above, structuring an optimized and efficient production environment shall be the key focus of the Group as its manufacturing activities resume its operation in full capacity.

The Group will also continue its effort to expand its market reach and presence especially in online segment of the business in view of the accelerating growth of the online businesses globally. The growth of online businesses is expected to create more demand and opportunities for businesses within the industry.

With reference to the statistic published by Malaysia Timber Council ("MTC"), Malaysia exported RM4.47 billion of wooden furniture to Americas from January 2021 to August 2021, representing approximately 68.60% of the total export of wooden furniture. With the high opportunities in Americas and the stable demand on home furniture from North America market, North America will remain as the Group's main market segment.

4<sup>th</sup> Quarter of 2021 is expected to remain challenging in view of the ongoing COVID-19 pandemic and the unforeseen circumstances arising from it. To ensure the Group remains competitive within the industry, the Group will continue its effort on design and development to expand its range of home furniture, as well as the marketing efforts to expand its customer base and export markets.

**B4 Variance of Actual Profit from Forecast Profit**

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review.