

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED  
30 JUNE 2023**
**PART B – EXPLNATORY NOTES PERSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING  
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**B1 Group Performance Review**
**Results for current quarter and financial year-to-date**

	<u>Individual Quarter</u>				<u>Cumulative Quarter</u>			
	Unaudited	Unaudited	Changes		Unaudited	Unaudited	Changes	
	Current	Preceding			Current	Preceding		
	Year	Year			Year To	Year		
Quarter	Corresponding			Date	Corresponding			
	30.06.2023	30.06.2022			30.06.2023	30.06.2022		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	17,312	25,790	(8,478)	(32.87)	33,473	51,491	(18,018)	(34.99)
Profit before tax	1,747	5,692	(3,945)	(69.31)	3,187	10,573	(7,386)	(69.86)

The Group's revenue for the current financial quarter ended 30 June 2023 decreased by approximately RM8.48 million or 32.87% to approximately RM17.31 million as compared to RM25.79 million in the preceding year corresponding quarter ended 30 June 2022.

The Group's revenue for the financial period ended 30 June 2023 decreased by approximately RM18.02 million or 34.99% to approximately RM33.47 million as compared to RM51.49 million in the preceding year corresponding financial period ended 30 June 2022. The decrease was mainly due to lower sales volume as a result of weaker market demand.

The Group's profit before tax for the current financial quarter ended 30 June 2023 decreased by approximately RM3.95 million or 69.31% from RM5.69 million in the preceding year corresponding quarter ended 30 June 2022 to RM1.75 million.

The Group's profit before tax for the current financial period ended 30 June 2023 decreased by approximately RM7.39 million or 69.86% from RM10.57 million in the preceding year corresponding period ended 30 June 2022 to RM3.19 million. The decrease in profit before tax was mainly attributable to the lower revenue contribution.

**B2 Comparison with Immediate Preceding Quarter Results**

	<u>Individual Quarter</u>		<u>Changes</u>	
	Unaudited	Unaudited		
	Current	Preceding		
	Quarter	Quarter		
	30.06.2023	31.03.2023		
	RM'000	RM'000	RM'000	%
Revenue	17,312	16,161	1,151	7.12
Profit before tax	1,747	1,440	307	21.32

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The Group's revenue for the current financial quarter ended 30 June 2023 increased by approximately RM1.15 million or 7.12% to approximately RM17.31 million as compared to RM16.16 million in the preceding financial quarter ended 31 March 2023. The increase was mainly due to higher sales volume.

The Group's profit before tax for the current financial quarter ended 30 June 2023 increased by approximately RM0.31 million or 21.32% to RM1.75 million as compared to RM1.44 million in the preceding financial quarter ended 31 March 2023. The increase in profit before tax was mainly attributable to the strengthening of the USD against the RM which contributed to the increase in realised gain in foreign exchange during the current financial quarter under review.

**B3 Prospects**

The Group expects to face the challenges of global economic uncertainties, global inflationary pressure and increased wages in the following quarters. The relatively strong USD against RM is expected to partially cushion the negative impact as majority of the Group's revenue are denominated in USD.

In view of the above, the Group will continue to place marketing efforts to expand customer base and export markets, design and development efforts to expand range of home furniture, as well as maintaining a stable supply chain and efficient manufacturing operations. The Group will take necessary measures to meet the challenges ahead, and monitor the business and financial performance closely.

Barring any unforeseen circumstances, the Group expects the financial performance for the financial year 2023 to be satisfactory.

**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.

**B5 Tax Expense**

	Individual Quarter		Cumulative Quarter	
	Unaudited 30.06.2023 RM'000	Unaudited 30.06.2022 RM'000	Unaudited 30.06.2023 RM'000	Unaudited 30.06.2022 RM'000
Current tax expense:				
Current financial period	441	1,460	803	2,558
	<u>441</u>	<u>1,460</u>	<u>803</u>	<u>2,558</u>
Deferred tax expense:				
Origination of temporary differences	100	79	100	79
Underprovision in previous financial year	-	-	-	300
Total tax expense	<u>541</u>	<u>1,539</u>	<u>903</u>	<u>2,937</u>
Effective tax rate <sup>(1)</sup>	<u>30.97%</u>	<u>27.04%</u>	<u>28.33%</u>	<u>27.78%</u>