

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED
30 SEPTEMBER 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 Current Year Quarter 30.09.2023 RM'000	Unaudited Preceding Year Corresponding Quarter 30.09.2022 RM'000	Changes		Unaudited Current Year To Date 30.09.2023 RM'000	Unaudited Preceding Year Corresponding Year To Date 30.09.2022 RM'000	Changes	
			RM'000	%			RM'000	%
Revenue	22,238	18,018	4,220	23.42	55,711	69,509	(13,798)	(19.85)
Profit before tax	3,042	3,956	(914)	(23.10)	6,229	14,529	(8,300)	(57.13)

The Group's revenue for the current financial quarter ended 30 September 2023 increased by approximately RM4.22 million or 23.42% to approximately RM22.24 million as compared to RM18.02 million in the preceding year corresponding quarter ended 30 September 2022. The increase was mainly due to higher sales volume in American market in the current financial quarter under review.

The Group's profit before tax for the current financial quarter ended 30 September 2023 decreased by approximately RM0.91 million or 23.10% from RM3.96 million in the preceding year corresponding quarter ended 30 September 2022 to RM3.04 million. This was mainly due to the trade exhibition expenses and allowance for impairment loss on trade receivable.

The Group's revenue for the financial period ended 30 September 2023 decreased by approximately RM13.80 million or 19.85% to approximately RM55.71 million as compared to RM69.51 million in the preceding year corresponding financial period ended 30 September 2022. The Group's profit before tax for the current financial period ended 30 September 2023 decreased by approximately RM8.30 million or 57.13% from RM14.53 million in the preceding year corresponding period ended 30 September 2022 to RM6.23 million. The decrease was mainly due to lower sales volume generated in the first and second quarter of current financial period under review.

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B2 Comparison with Immediate Preceding Quarter Results

	Individual Quarter		Changes	
	Unaudited Current Quarter 30.09.2023 RM'000	Unaudited Preceding Quarter 30.06.2023 RM'000	RM'000	%
Revenue	22,238	17,312	4,926	28.45
Profit before tax	3,042	1,747	1,295	74.13

The Group's revenue for the current financial quarter ended 30 September 2023 increased by approximately RM4.93 million or 28.45% to approximately RM22.24 million as compared to RM17.31 million in the preceding financial quarter ended 30 June 2023. The increase was mainly due to higher sales volume.

The Group's profit before tax for the current financial quarter ended 30 September 2023 increased by approximately RM1.30 million or 74.13% to RM3.04 million as compared to RM1.75 million in the preceding financial quarter ended 30 June 2023. The increase in profit before tax was mainly attributable to the higher sales revenue contribution in 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 quarter. 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.