

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED
31 DECEMBER 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 31.12.2023 RM'000	Unaudited Preceding Year Corresponding Quarter 31.12.2022 RM'000	Changes		Unaudited Current Year To Date 31.12.2023 RM'000	Audited Preceding Year Corresponding Year To Date 31.12.2022 RM'000	Changes	
			RM'000	%			RM'000	%
Revenue	26,533	15,442	11,091	71.82	82,244	84,951	(2,707)	(3.19)
Profit before tax	4,049	1,408	2,641	187.57	10,278	15,937	(5,659)	(35.51)

The Group's revenue for the current financial quarter ended 31 December 2023 increased by approximately RM11.09 million or 71.82% to approximately RM26.53 million as compared to RM15.44 million in the preceding year corresponding quarter ended 31 December 2022. The increase was mainly due to higher sales volume from America and Asia (including Malaysia) in the current financial quarter under review.

The Group's profit before tax for the current financial quarter ended 31 December 2023 increased by approximately RM2.64 million or 187.57% from RM1.41 million in the preceding year corresponding quarter ended 31 December 2022 to RM4.05 million. The increase in profit before tax was mainly attributable to the higher sales revenue contribution in the current financial quarter under review despite the setback of inventory loss of RM0.48 million in a fire incident at subcontractor's factory, of which insurance claim is in progress.

The Group's revenue for the financial period ended 31 December 2023 decreased by approximately RM2.71 million or 3.19% to approximately RM82.24 million as compared to RM84.95 million in the preceding year corresponding financial period ended 31 December 2022. The Group's profit before tax for the current financial period ended 31 December 2023 decreased by approximately RM5.66 million or 35.51% from RM15.94 million in the preceding year corresponding period ended 31 December 2022 to RM10.28 million. The decrease in profit before tax was mainly due to trade exhibition expenses, allowance for impairment loss on trade receivable and inventory loss in fire incident.

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B2 Comparison with Immediate Preceding Quarter Results

	Individual Quarter		Changes	
	Unaudited Current Quarter 31.12.2023 RM'000	Unaudited Preceding Quarter 30.09.2023 RM'000	RM'000	%
Revenue	26,533	22,238	4,295	19.31
Profit before tax	4,049	3,042	1,007	33.10

The Group's revenue for the current financial quarter ended 31 December 2023 increased by approximately RM4.30 million or 19.31% to approximately RM26.53 million as compared to RM22.24 million in the preceding financial quarter ended 30 September 2023. The increase was mainly due to higher sales volume.

The Group's profit before tax for the current financial quarter ended 31 December 2023 increased by approximately RM1.01 million or 33.10% to RM4.05 million as compared to RM3.04 million in the preceding financial quarter ended 30 September 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 will emphasize continuous enhancement of operational efficiency to increase competitiveness among global furniture players. This includes implementing a transformation program focused on increasing production efficiency and enhancing product quality. Additionally, ongoing production automation efforts will further improve product precision.

In tandem, the Group will expand its market reach through participation in international trade fairs, overseas sales visits, and development of new products to attract and retain customers, thereby securing new sales orders.

Considering the prevailing global economic uncertainties, the Group is proactively planning and implementing measures to mitigate risks and challenges, while closely monitoring business performance.

Barring any unforeseen circumstances, the group holds a cautiously optimistic outlook for its financial performance in 2024.

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.