



# **PT RESOURCES HOLDINGS BERHAD**

(Registration No.: 201901032139 (1341469-P))

(Incorporated in Malaysia under the Companies Act 2016)

## **UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2023**



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>**

	Note	Individual Quarter		Cumulative Quarter	
		Unaudited 31.01.2023 RM'000	Unaudited 31.01.2022 RM'000	Unaudited 31.01.2023 RM'000	Unaudited 31.01.2022 RM'000
Revenue	A9	115,443	87,449	356,093	275,382
Cost of sales		(100,172)	(77,791)	(313,770)	(244,168)
<b>Gross profit</b>		<b>15,271</b>	<b>9,658</b>	<b>42,323</b>	<b>31,214</b>
Other income		3	262	1,565	292
Administrative expenses		(12,542)	(4,781)	(23,855)	(12,966)
Impairment gain of financial assets, net		-	65	-	188
<b>Profit from operations</b>		<b>2,732</b>	<b>5,204</b>	<b>20,033</b>	<b>18,728</b>
Finance income		272	50	443	159
Finance costs		(896)	(528)	(2,218)	(1,912)
<b>Profit before tax</b>		<b>2,108</b>	<b>4,726</b>	<b>18,258</b>	<b>16,975</b>
Tax expense	B4	(139)	(28)	(425)	(90)
<b>Profit/Total comprehensive income for the financial period</b>	B11	<b>1,969</b>	<b>4,698</b>	<b>17,833</b>	<b>16,885</b>
<b>Profit/Total comprehensive income for the financial period after taxation attributable to:</b>					
Owners of the Company		1,969	4,698	17,833	16,885
		<b>1,969</b>	<b>4,698</b>	<b>17,833</b>	<b>16,885</b>
<b>Earnings per share</b>					
Basic/Diluted (sen) <sup>(2)(3)</sup>	B10	0.37	1.17	3.86	4.22

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 30 August 2022 ("**Prospectus**") and the accompanying explanatory notes attached to this unaudited interim financial report.
- (2) Computed based on the profit attributable to the owners of the Company divided by the weighted average number of ordinary shares as referred to in Note B10.
- (3) The diluted earnings per share ("**EPS**") for the current and cumulative quarter are equivalent to the basic EPS as the Company does not have any dilutive instruments for the financial period ended 31 January 2022 and 31 January 2023.



UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>

	Unaudited As at 31.01.2023 RM'000	Audited As at 30.04.2022 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	20,356	20,482
Right-of-use assets	5,826	6,522
Fixed deposits with licensed banks	25,086	9,859
	<b>51,268</b>	<b>36,863</b>
<b>Current assets</b>		
Inventories	4,893	11,623
Trade receivables	82,082	43,146
Other receivables	2,666	1,167
Tax recoverable	319	331
Fixed deposits with licensed banks	1	1
Cash and bank balances	78,619	45,526
	<b>168,580</b>	<b>101,794</b>
<b>Total assets</b>	<b>219,848</b>	<b>138,657</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	67,568	20,001
Merger deficit	(13,400)	(13,400)
Retained earnings	84,563	66,730
<b>Total equity</b>	<b>138,731</b>	<b>73,331</b>
<b>Non-current liabilities</b>		
Borrowings	9,544	10,965
Lease liabilities	2,537	3,294
Provision for restoration costs	1,800	1,336
Deferred tax liabilities	272	272
	<b>14,153</b>	<b>15,867</b>
<b>Current liabilities</b>		
Trade payables	13,121	3,687
Other payables	5,637	9,276
Borrowings	47,492	35,925
Lease liabilities	694	562
Tax payable	20	9
	<b>66,964</b>	<b>49,459</b>
<b>Total liabilities</b>	<b>81,117</b>	<b>65,326</b>
<b>Total equity and liabilities</b>	<b>219,848</b>	<b>138,657</b>
Number of issued shares ('000)	535,020	400,020
Net assets per share attributable to owners of the company (RM) <sup>(2)</sup>	0.26	0.18



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2023**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D) <sup>(1)</sup>**

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**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this unaudited interim financial report.
- (2) Computed based on total equity divided by the number of ordinary shares of 400,020,000 and 535,020,000 as at 30 April 2022 and 31 January 2023 respectively.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)</sup>**

	Attributable to owners of the Company			Total equity RM'000
	Non-Distributable		Distributable	
	Share capital RM'000	Merger deficit RM'000	Retained earnings RM'000	
<b>Balance as at 1 May 2021</b>	20,001	(13,400)	45,618	52,219
Total comprehensive income for the financial period	-	-	16,885	16,885
<b>Balance as at 31 January 2022</b>	<b>20,001</b>	<b>(13,400)</b>	<b>62,503</b>	<b>69,104</b>
<b>Balance as at 1 May 2022</b>	20,001	(13,400)	66,730	73,331
Total comprehensive income for the financial period	-	-	17,833	17,833
<u>Transaction with owners:-</u>				
Issuance of shares	48,600	-	-	48,600
Share issuance expenses	(1,033)	-	-	(1,033)
<b>Balance as at 31 January 2023</b>	<b>67,568</b>	<b>(13,400)</b>	<b>84,563</b>	<b>138,731</b>

**Note:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this unaudited interim financial report.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>

	Cumulative Quarter	
	Unaudited 31.01.2023 RM'000	Unaudited 31.01.2022 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	18,258	16,975
Adjustments for:		
Bad debts written off	-	39
Depreciation of property, plant and equipment	1,472	1,405
Depreciation of right-of-use assets	544	627
Gain on disposal of property, plant and equipment	(296)	-
Impairment gain of financial assets, net	-	(188)
Interest expenses	2,218	1,912
Interest income	(443)	(159)
Rent concessions	(20)	(36)
Unrealised loss on foreign exchange	4,600	-
<b>Operating profit before changes in working capital</b>	<b>26,333</b>	<b>20,575</b>
Changes in working capital:		
Inventories	6,730	1,125
Receivables	(44,849)	(28,037)
Contract liabilities	-	(47)
Payables	5,795	8,980
Bankers' acceptance	9,559	(615)
Invoice financing	855	23
Revolving financing	382	186
<b>Cash generated from operations</b>	<b>4,805</b>	<b>2,190</b>
Interest paid	(1,439)	(1,103)
Tax paid	(402)	(837)
<b>Net cash from operating activities</b>	<b>2,964</b>	<b>250</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(211)	(237)
Purchase of right-of-use assets	-	(161)
Proceeds from disposal of property, plant and equipment	296	-
<b>Net cash from/(used in) investing activities</b>	<b>85</b>	<b>(398)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(610)	(724)
Interest received	443	159
Repayment of term loans	(1,372)	(1,587)
Repayment of lease liabilities	(1,293)	(598)
Placement of fixed deposits pledged	(15,227)	(1,196)
Proceeds from issuance of shares, net	47,567	-
<b>Net cash from/(used in) financing activities</b>	<b>29,508</b>	<b>(3,946)</b>
Net increase/(decrease) in cash and cash equivalents	32,557	(4,094)
Cash and cash equivalents at the beginning of the financial period	43,687	26,366
Effect of foreign exchange difference	(186)	-
<b>Cash and cash equivalents at the end of the financial period</b>	<b>76,058</b>	<b>22,272</b>



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2023**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D) <sup>(1)</sup>**

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**Note:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this unaudited interim financial report.

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**A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

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**A1. Basis of Preparation**

This unaudited interim financial report of PT Resources Holdings Berhad (“**Company**”) and its subsidiaries (“**Group**”) are unaudited and has been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards (“**MFRSs**”) 134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

This unaudited interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus and the accompanying notes attached to this unaudited interim financial report.

**A2. Significant Accounting Policies**

The accounting policies adopted for this unaudited interim financial report are consistent with those adopted for the Accountants’ Report as disclosed in the Prospectus except for the adoption of the following amendments/improvements to MFRSs that are mandatory for the Group for the financial period beginning 1 May 2022:

Amendments to MFRS 3	Business combinations: Reference to the conceptual framework
Amendments to MFRS 116	Property, plant and equipment: Proceeds before intended use
Amendments to MFRS 137	Provision, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract
Annual improvements to MFRS standard 2018 – 2020	

The adoption of these amendments/improvements to MFRSs did not have any material impact on this unaudited interim financial report of the Group.

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board but are not yet affective for the current financial period:

*MFRSs and Amendments to MFRSs effective for the financial period beginning on or after 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 4*	Insurance contracts: Extension of the temporary exemption from applying MFRS 9
Amendments to MFRS 101	Presentation of financial statements: Classification of liabilities as current or non-current
Amendments to MFRS 101	Presentation of financial statements: Disclosure of accounting policies
Amendments to MFRS 108	Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates
Amendments to MFRS 112	Income taxes: Deferred tax related to assets and liabilities arising from a single transaction





**A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONT'D)**

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**A2. Significant Accounting Policies (Cont'd)**

MFRSs and Amendments to MFRSs effective for the financial period beginning on or after 1 January 2024:-

Amendments to MFRS 16                      Leases: Lease liability in a sale and leaseback

Amendments to MFRSs – Effective date deferred indefinitely:-

Amendments to MFRS 10 and              Consolidated financial statements and investments in associate  
MFRS 128\*                                      and joint ventures – Sale or contribution of assets between an  
investor and its associate or joint venture

\* Not applicable to the Group

The initial application of the above accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group upon its first adoption.

**A3. Auditors' Report on Preceding Annual Financial Statements**

The audited financial statements of the Group for the financial year ended 30 April 2022 was not subject to any qualification.

**A4. Seasonal or Cyclical Factors**

The Group's performance is subject to seasonal demand, whereby demand is higher prior to the commencement and during festive seasons such as Chinese New Year, Hari Raya, Deepavali and Christmas. In addition, the Group's business in the East Coast region of Peninsular Malaysia is also affected by the monsoon season especially when floods occur.

**A5. Items or Incidence of an Unusual Nature**

There were no unusual items affecting the assets, liabilities, equity, net income and cash flows of the Group during the current quarter and financial year-to-date ("YTD").

**A6. Material Changes in Estimates**

There were no changes in estimates that have a material effect on the Group for the current quarter and YTD.

**A7. Debt and Equity Securities**

The Company issued 135,000,000 new ordinary shares at an issue price of RM0.36 in conjunction with its listing on the ACE Market of Bursa Securities ("IPO"). The entire enlarged issued share capital of the Company of RM68.6 million comprising 535,020,000 ordinary shares were listed on the ACE Market of Bursa Securities on 27 September 2022.

Save as disclosed above, there were no other issuance and repayment of debt and equity securities, share buy-backs, share cancellation and resale of treasury shares during the current quarter and YTD.

**A8. Dividend Paid**

There was no dividend paid for the current quarter and YTD.


**A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONT'D)**
**A9. Segmental Reporting**
**Revenue by business segments**

The Group is principally involved in the processing and trading of frozen seafood products, and retail trading of other products. The Group's revenue by business segments for the financial period ended 31 January 2023 is as follows:

Individual Quarter	Processing and trading of frozen seafood products RM'000	Trading of other products RM'000	Eliminations RM'000	Total RM'000
<b>Unaudited</b>				
<b>Revenue:</b>				
Revenue from external customers	108,823	6,620	-	115,443
Inter-segment revenue	715	2,500	(3,215)	-
	<u>109,538</u>	<u>9,120</u>	<u>(3,215)</u>	<u>115,443</u>

The Group's revenue by business segments for the financial period ended 31 January 2022 is as follows:

Individual Quarter	Processing and trading of frozen seafood products RM'000	Trading of other products RM'000	Eliminations RM'000	Total RM'000
<b>Unaudited</b>				
<b>Revenue:</b>				
Revenue from external customers	80,922	6,527	-	87,449
Inter-segment revenue	3,634	2,646	(6,280)	-
	<u>84,556</u>	<u>9,173</u>	<u>(6,280)</u>	<u>87,449</u>


**A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONT'D)**
**A9. Segmental Reporting (Cont'd)**
**Revenue by business segments (Cont'd)**

The Group's segmental revenue by business segments for the financial period ended 31 January 2023 is as follows:

<b>Cumulative Quarter</b>	<b>Processing and trading of frozen seafood products</b>	<b>Trading of other product</b>	<b>Eliminations</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Unaudited Revenue:</b>				
Revenue from external customers	332,460	23,633	-	356,093
Inter-segment revenue	20,787	8,021	(28,808)	-
	<b>353,247</b>	<b>31,654</b>	<b>(28,808)</b>	<b>356,093</b>

The Group's segmental revenue by business segments for the financial period ended 31 January 2022 is as follows:

<b>Cumulative Quarter</b>	<b>Processing and trading of frozen seafood products</b>	<b>Trading of other product</b>	<b>Eliminations</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Unaudited Revenue:</b>				
Revenue from external customers	258,620	16,762	-	275,382
Inter-segment revenue	13,159	6,790	(19,949)	-
	<b>271,779</b>	<b>23,552</b>	<b>(19,949)</b>	<b>275,382</b>


**A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONT'D)**
**A9. Segmental Reporting (Cont'd)**
**Revenue by geographical location**

The Group sells its products locally in Malaysia and internationally. The Group's segmental revenue by geographical location is as follows:

	Individual Quarter		Cumulative Quarter	
	Unaudited	Unaudited	Unaudited	Unaudited
	31.01.2023	31.01.2022	31.01.2023	31.01.2022
	RM'000	RM'000	RM'000	RM'000
<b>Malaysia</b>	<b>57,693</b>	<b>34,948</b>	<b>206,179</b>	<b>102,567</b>
<b>Overseas</b>				
Saudi Arabia	1,502	20,541	8,765	36,701
China	56,248	27,588	140,309	131,310
Others <sup>(1)</sup>	-	4,372	840	4,804
	<u>57,750</u>	<u>52,501</u>	<u>149,914</u>	<u>172,815</u>
<b>Total</b>	<b><u>115,443</u></b>	<b><u>87,449</u></b>	<b><u>356,093</u></b>	<b><u>275,382</u></b>

**Note:**

(1) Comprise Indonesia, Singapore and the United Arab Emirates.

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**A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONT'D)**

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**A10. Material Events Subsequent to the End of the Current Quarter**

There were no significant events subsequent to the end of the current quarter which will materially affect the earnings of the Group.

**A11. Changes in the Composition of the Group**

Save as disclosed below, there were no changes in the composition of the Group during the current quarter and YTD:

- (1) On 18 January 2023, the Company incorporated a wholly-owned subsidiary, More Distribution Sdn Bhd which is principally involved in the wholesale of meat, fish, fruits and vegetables.

**A12. Contingent Assets and Contingent Liabilities**

There were no contingent assets and contingent liabilities as at the end of the reporting quarter.

**A13. Capital Commitments**

There were no capital commitments as at the end of the reporting quarter.

**A14. Related Party Transactions**

There were no related party transactions during the current quarter and YTD.

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## **B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**

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### **B1. Performance Review**

#### **Comparison with the Corresponding Quarter (3QFY2023 vs 3QFY2022)**

The Group's revenue increased by RM28.0 million or 32.0% to RM115.4 million in the 3QFY2023 as compared to the 3QFY2022, which was mainly attributable to the following:

- (i) an increase in domestic demand by RM22.7 million or 65.1% in the 3QFY2023 as compared to the 3QFY2022 in light of the positive outlook upon transition to the COVID-19 endemic phase by the Malaysian Government effective 1 April 2022; and
- (ii) an increase in overseas demand by RM5.2 million or 10.0% in the 3QFY2023 as compared to the 3QFY2022, which was mainly attributable to an increase in orders by existing customers in China in anticipation of the higher demand for frozen seafood products as a result of the gradual re-opening of China's borders.

The increase in the Group's revenue translated to an increase in gross profit ("GP") by RM5.6 million or 58.1% to RM15.3 million in the 3QFY2023 as compared to the 3QFY2022. In addition, the Group's GP margin ("GPM") rose by 2.2 percentage point to 13.2% in the 3QFY2023 as compared to 11.0% in the 3QFY2022. This was mainly due to the Group being able to secure its supplies at competitive pricing through bulk purchasing.

The Group's administrative expenses increased by RM7.8 million or 162.3% to RM12.5 million in the 3QFY2023 as compared to the 3QFY2022, which was mainly due to the following:

- (i) an unrealised loss on foreign exchange of RM5.9 million as a result of the strengthening RM against the United States Dollar ("USD") in the 3QFY2023; and
- (ii) an increase in staff costs by RM1.5 million mainly as a result of salary increments and bonuses for the Group's employees.

Despite the higher revenue recorded in the 3QFY2023, the Group's profit before tax ("PBT") decreased by RM2.6 million or 55.4% to RM2.1 million in the 3QFY2023 as compared to the 3QFY2022 which was mainly attributable to the unrealised loss on foreign exchange as mentioned above. The Group's PBT margin also decreased by 3.6 percentage point to 1.8% in the 3QFY2023 as compared to the 3QFY2022.

#### **Comparison with the Corresponding Financial Period (YTD FY2023 vs YTD FY2022)**

The Group's revenue increased by RM80.7 million or 29.3% to RM356.1 million in the YTD FY2023 as compared to the YTD FY2022, which was mainly due to an increase in domestic demand by RM103.6 million or 101.0% in the YTD FY2023 as compared to the YTD FY2022 in light of the positive outlook upon transition to the COVID-19 endemic phase by the Malaysian Government effective 1 April 2022. The increase in domestic demand was partially offset by a decrease in overseas demand by RM22.9 million or 13.3% in the YTD FY2023 as compared to the YTD FY2022, which was mainly due to lower orders secured from customers in the Middle East. Notwithstanding, the Group has secured more orders from customers in China in the YTD FY2023 as compared to the YTD FY2022 as the Group is shifting its focus towards increasing its exports to China.



**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**

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**B1. Performance Review (Cont'd)**

**Comparison with the Corresponding Financial Period (YTD FY2023 vs YTD FY2022) (Cont'd)**

The increase in the Group's revenue translated to an increase in GP by RM11.1 million or 35.6% to RM42.3 million in the YTD FY2023 as compared to the YTD FY2022. In addition, the Group recorded an improved GPM of 11.9% in the YTD FY2023, which was 0.6 percentage point higher as compared to the YTD FY2022. This was mainly due to the Group being able to secure its supplies at competitive pricing through bulk purchasing in the 3QFY2023.

The Group's administrative expenses increased by RM10.9 million or 84.0% to RM23.9 million in the YTD FY2023 as compared to the YTD FY2022, which was mainly due to the following:

- (i) listing expenses of RM4.0 million incurred in relation to the Group's corporate exercise;
- (ii) an unrealised loss on foreign exchange of RM4.6 million as a result of the strengthening RM against the USD in the 3QFY2023; and
- (iii) an increase in staff costs of RM1.3 million mainly as a result of salary increments and bonuses for the Group's employees.

The increase in the Group's revenue contributed to an increase in the Group's overall profitability which was reflected in the Group's PBT of RM18.3 million as compared to RM17.0 million in the YTD FY2022. Nevertheless, the Group recorded a PBT margin of 5.1% in the YTD FY2023, which was 1.1 percentage point lower as compared to the YTD FY2022. This was mainly due to the unrealised loss on foreign exchange and listing expenses incurred as mentioned above.

**Comparison with the Immediate Preceding Quarter (3QFY2023 vs 2QFY2023)**

The Group's revenue decreased by RM9.9 million or 7.9% to RM115.4 million in the 3QFY2023 as compared to the 2QFY2023. This was mainly due to a decrease in domestic demand by RM8.7 million or 13.1% in the 3QFY2023 as compared to the 2QFY2023 as a result of lower traffic at the Group's outlets due to floods in the East Coast regions of Peninsular Malaysia in December 2022. In addition, overseas demand also decreased by RM1.0 million or 1.8% in the 3QFY2023 as compared to the 2QFY2023, which was mainly due to lower orders secured from customers in the Middle East. Notwithstanding, the Group has secured more orders from customers in China in the 3QFY2023 as compared to the 2QFY2023 as the Group is shifting its focus towards increasing its exports to China.

Despite the lower revenue recorded in the 3QFY2023, the Group's GP increased by RM1.4 million or 10.1% to RM15.3 million. The Group also recorded a higher GPM of 13.2% in the 3QFY2023, which was 2.1 percentage point higher as compared to the 2QFY2023. This was mainly due to the Group being able to secure its supplies at competitive pricing through bulk purchasing.

The Group's administrative expenses increased by RM5.2 million or 72.0% to RM12.5 million in the 3QFY2023 as compared to the 2QFY2023, which was mainly due to an unrealised loss on foreign exchange of RM5.9 million as a result of the strengthening RM against the USD in the 3QFY2023 and an increase in staff costs by RM1.0 million mainly as a result of salary increments and bonuses for the Group's employees, which was partially offset by a decrease in carriage outwards by RM0.6 million and a decrease in COVID-19 related expenses incurred for safety and cleanliness measures by RM0.6 million.



**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**

The Group's PBT decreased by RM6.3 million or 75.0% to RM2.1 million whilst PBT margin decreased by 4.9 percentage point to 1.8% as compared to the 2QFY2023. This was mainly attributable to the unrealised loss on foreign exchange as mentioned above.

**B2. Group's Prospects**

Bank Negara Malaysia expects the Malaysian economy to expand at a more moderate pace in 2023 amid challenging external environment and weaker global growth. Despite growing concerns on a global cost push inflationary pressures as a result of amongst others, the Ukraine-Russia conflict that has affected the Group's direct and indirect operating costs, the Group will be taking a two-pronged strategy in reducing cost and increasing selling prices marginally to cushion the impact of increasing operating costs and improve profitability.

Notwithstanding the cost pressures, the Group is optimistic on the long-term growth for the demand of its products both domestically and internationally. The Group remains committed to growing its products demand domestically by strengthening access to channel partners and establishing more "MO Foodmart™" outlets prioritising the East Coast region of Peninsular of Malaysia. On the international markets, the Group will look to further increase supply to China in view of easing of global COVID-19 export-import requirements.

In addition, the Board takes cognisance of the significant fluctuation of the RM against the USD in the 3QFY2023 which reduced the profitability of the Group. Nevertheless, the Board remains optimistic that the performance of the Group will be satisfactory and remain positive for the financial year ending 30 April 2023 in view of amongst others, the weakened RM against the USD since its recent high in January 2023.

**B3. Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast or profit guarantee during the current quarter and YTD.

**B4. Tax Expense**

	Individual Quarter		Cumulative Quarter	
	Unaudited	Unaudited	Unaudited	Unaudited
	31.01.2023	31.01.2022	31.01.2023	31.01.2022
	RM'000	RM'000	RM'000	RM'000
Income tax	139	28	425	90
Effective tax rate (%)	6.6	0.6	2.3	0.5
Statutory tax rate (%)	24.0	24.0	24.0	24.0

The Group's effective tax rates were lower than the statutory tax rate of 24%, which was mainly attributable to the income tax exemption granted by the Malaysian Investment Development Authority to one of the Group's subsidiary, MHC Coldstorage Sdn Bhd ("MHC"), for a period of 10 years commencing from the year of assessment 2018. This has allowed MHC to enjoy 100% income tax exemption for income earned from processing of frozen seafood products during the said period, which is conditional upon MHC operating in the KIFPP Processing Facility.

The higher effective tax rate recorded in the 3QFY2023 as compared to the 3QFY2022 was mainly due to the unrealised loss on foreign exchange which was non-deductible whilst the higher effective tax rate recorded for the YTD FY2023 was mainly due to higher PBT generated by the Group's taxable operating subsidiaries.





**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**

**B5. Status of Corporate Proposals**

Save as disclosed below, there are no corporate proposals announced by the Company but not completed as at the date of this unaudited interim financial report:

- (i) On 26 February 2023, the Company had entered into a Memorandum of Understanding with Ocean Exchange (Fujian) Foreign Trade Services Co Ltd (“**Ocean Exchange**”) to establish cooperation between the Company and Ocean Exchange for the joint development of the Malaysian East Coast International Supply Chain Intelligent Park (“**the Project**”), which is inspired by the Marché International Cold Logistics and Cross-border E-commerce Project located in Fujian province, China.

The Project, which is intended to drive the development of food and light industries supply-chain between Malaysia and Fuzhou with the aim of rapidly achieving currency internationalisation between the two countries will encompass amongst others, integrated cold chain facilities to facilitate cross-border supply of consumer food. In addition, the Project also aims to boost the trade between the Malaysian seafood wholesale market and China through digital transformation.

There is no other material development on the status of the MoU since the last announcement.

**B6. Use of Proceeds Raised from Corporate Proposals**

The gross proceeds of approximately RM48.6 million from the IPO is intended to be utilised in the following manner:

<b>Details of utilisation</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Intended timeframe for utilisation from the date of listing</b>
Capital expenditure for new cold storage warehouse	17,635	-	Within 36 months
Working capital	27,175	17,500	Within 12 months
Estimated listing expenses	3,790	3,790	Within 3 months
<b>Total</b>	<b>48,600</b>	<b>21,290</b>	

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**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**

**B7. Borrowings**

The details of the Group's borrowings are as follows:

	<b>Unaudited 31.01.2023 RM'000</b>	<b>Audited 30.04.2022 RM'000</b>
<b>Non-current</b>		
<i>Secured</i>		
Term loans	9,544	10,965
	<u><b>9,544</b></u>	<u><b>10,965</b></u>
<b>Current</b>		
<i>Secured</i>		
Bank overdrafts	2,562	1,840
Term loans	2,519	2,470
Bankers' acceptance	36,240	26,378
Invoice financing	1,366	511
Revolving financing	4,805	4,423
<i>Unsecured</i>		
Bankers' acceptance	-	303
	<u><b>47,492</b></u>	<u><b>35,925</b></u>
<b>Total</b>	<u><b>57,036</b></u>	<u><b>46,890</b></u>

All the borrowings are denominated in Ringgit Malaysia.

**B8. Material Litigation**

As at the date of this report, the Group is not engaged in any litigation which has a material effect on the financial position or business of the Group.

**B9. Dividend**

No dividend was declared or recommended for payment by the Board of Directors of the Company for the current quarter and YTD.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**

**B10. Basic and Diluted EPS**

The basic and diluted EPS for the current quarter and YTD are computed as follows:

	Individual Quarter		Cumulative Quarter	
	Unaudited 31.01.2023	Unaudited 31.01.2022	Unaudited 31.01.2023	Unaudited 31.01.2022
Profit attributable to owners of the Company (RM'000)	1,969	4,698	17,833	16,885
Weighted average number of shares ('000)	535,020	400,020	461,650	400,020
Basic/Diluted EPS (sen) <sup>(3)</sup>	0.37 <sup>(1)</sup>	1.17 <sup>(2)</sup>	3.86 <sup>(1)</sup>	4.22 <sup>(2)</sup>

**Notes:**

- (1) Computed based on the profit attributable to the owners of the Company divided by the weighted average number of ordinary shares of 535,020,000 and 461,650,435 for the individual and cumulative quarters ended 31 January 2023 respectively.
- (2) Computed based on the profit attributable to the owners of the Company divided by the weighted average number of ordinary shares of 400,020,000 for the individual and cumulative quarters ended 31 January 2022.
- (3) The diluted EPS for the current and cumulative quarters are equivalent to the basic EPS as the Company does not have any dilutive instruments for the financial period ended 31 January 2022 and 31 January 2023.

**B11. Comprehensive Income**

	Individual Quarter		Cumulative Quarter	
	Unaudited 31.01.2023 RM'000	Unaudited 31.01.2022 RM'000	Unaudited 31.01.2023 RM'000	Unaudited 31.01.2022 RM'000
Interest income	272	50	443	159
Interest expenses	(896)	(528)	(2,218)	(1,912)
Bad debts written off	-	-	-	(39)
Depreciation of property, plant and equipment	(527)	(471)	(1,472)	(1,405)
Depreciation of right-of-use assets	(137)	(229)	(544)	(627)
Directors' fees	(42)	-	(70)	-
Gain on disposal of property, plant and equipment	-	-	296	-
Impairment gain of financial assets, net	-	65	-	188
Listing expenses	(157)	(175)	(1,905)	(597)
Rent concessions	-	36	20	36
Realised (loss)/gain on foreign exchange	(296)	-	1,230	-
Unrealised loss on foreign exchange	(5,895)	-	(4,600)	-