



YX PRECIOUS METALS BHD (202101001245) (1401543-M)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2024

	Note	Individual Quarter		Year-to-date	
		3 months ended		6 months ended	
		30/6/2024	30/6/2023	30/6/2024	30/6/2023
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	61,841	61,806	130,407	124,377
Cost of sales		(56,798)	(56,560)	(118,908)	(113,813)
Gross profit		5,043	5,246	11,499	10,564
Other income		84	164	297	236
Selling and distribution expenses		(327)	(316)	(735)	(749)
Administrative expenses		(1,430)	(1,291)	(2,909)	(2,606)
Fair value gain/(loss) on derivative		396	-	(666)	-
Net gain/(loss) on impairment of financial assets		4	(2)	(89)	(29)
Other expenses		-	-	-	(2)
Profit from operations		3,770	3,801	7,397	7,414
Finance costs		(17)	(16)	(34)	(72)
Profit before tax	B13	3,753	3,785	7,363	7,342
Taxation	B4	(914)	(952)	(1,825)	(1,853)
Profit for the financial period		2,839	2,833	5,538	5,489
Profit attributable to:-					
Owners of the parent		2,839	2,833	5,538	5,489
Non-controlling interests		-	-	-	-
		2,839	2,833	5,538	5,489
Earnings per ordinary share attributable to equity holders of the parent (sen):-					
Basic earnings per share	B12	0.76	0.76	1.49	1.47
Diluted earnings per share	B12	0.76	0.76	1.49	1.47

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2024 (Cont'd)**

	<u>Note</u>	Individual Quarter		Year-to-date	
		3 months ended		6 months ended	
		30/6/2024	30/6/2023	30/6/2024	30/6/2023
		RM'000	RM'000	RM'000	RM'000
Profit for the financial period		2,839	2,833	5,538	5,489
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations		(60)	-	(48)	-
Other comprehensive income, net of tax		(60)	-	(48)	-
Total comprehensive income		2,779	2,833	5,490	5,489
Total comprehensive income attributable to:-					
Owners of the parent		2,779	2,833	5,490	5,489
Non-controlling interests		-	-	-	-
		2,779	2,833	5,490	5,489

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Company's Annual Report 2023 and the accompanying explanatory notes attached to this interim financial report.

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YX PRECIOUS METALS BHD (202101001245) (1401543–M)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	(Unaudited) As At 30/6/2024 RM'000	(Audited) As At 31/12/2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,469	3,923
Right-of-use asset	1,323	1,266
Deferred tax assets	34	34
	<u>5,826</u>	<u>5,223</u>
Current assets		
Inventories	78,386	73,551
Trade and other receivables	15,421	11,782
Current tax assets	-	591
Cash and bank balances	14,227	18,339
	<u>108,034</u>	<u>104,263</u>
TOTAL ASSETS	<u>113,860</u>	<u>109,486</u>
EQUITY AND LIABILITIES		
Share capital	82,889	82,889
Reserves	24,988	22,475
TOTAL EQUITY	<u>107,877</u>	<u>105,364</u>
LIABILITIES		
Non-current liabilities		
Lease liabilities	604	593
Deferred tax liabilities	273	273
	<u>877</u>	<u>866</u>
Current Liabilities		
Trade and other payables	4,458	2,617
Lease liabilities	546	627
Current tax liabilities	102	12
	<u>5,106</u>	<u>3,256</u>
TOTAL LIABILITIES	<u>5,983</u>	<u>4,122</u>
TOTAL EQUITY AND LIABILITIES	<u>113,860</u>	<u>109,486</u>
Net assets per share (RM)	0.29	0.28

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Company's Annual Report 2023 and the accompanying explanatory notes attached to this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2024**

	-----Attributable To Owners Of The Parent-----				Total RM'000
	---Non Distributable---		---Distributable---		
	Share Capital RM'000	Merger Reserve RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	
Balance as at 1 January 2024	82,889	(34,500)	(62)	57,037	105,364
Profit for the financial period	-	-	-	5,538	5,538
Other comprehensive income, net of tax	-	-	(48)	-	(48)
	-	-	(48)	5,538	5,490
<i>Transactions with owners</i>					
Dividend paid	-	-	-	(2,977)	(2,977)
Balance as at 30 June 2024	82,889	(34,500)	(110)	59,598	107,877
Balance as at 1 January 2023	82,889	(34,500)	-	51,001	99,390
Profit for the financial period	-	-	-	5,489	5,489
Other comprehensive income, net of tax	-	-	-	-	-
	-	-	-	5,489	5,489
<i>Transactions with owners</i>					
Dividend paid	-	-	-	(2,977)	(2,977)
Balance as at 30 June 2023	82,889	(34,500)	-	53,513	101,902

The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Company's Annual Report 2023 and the accompanying explanatory notes attached to this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2024**

	6 months ended	
	30/6/2024	30/6/2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,363	7,342
Adjustments for:-		
Depreciation of right-of-use asset	345	248
Depreciation of property, plant and equipment	327	297
Fair value loss on derivative	666	-
Gain on disposal of property, plant and equipment	(129)	-
Impairment of trade and other receivables	114	80
Interest income	(44)	(35)
Net unrealised gain on foreign exchange	(2)	(1)
Reversal on impairment of trade and other receivables	(25)	(51)
Finance costs	34	72
	<hr/>	<hr/>
Operating profit before changes in working capital	8,649	7,952
Inventories	(4,835)	2,552
Trade and other receivables	(3,724)	(7,813)
Trade and other payables	1,175	(70)
	<hr/>	<hr/>
Cash generated from operations	1,265	2,621
Interest paid	-	(40)
Tax paid	(1,144)	(2,253)
Net cash from operating activities	<hr/> 121	<hr/> 328
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	44	35
Proceeds from disposal of property, plant and equipment	129	-
Purchase of property, plant and equipment	(873)	(140)
Addition of right-of-use assets	(152)	(28)
Net cash used in investing activities	<hr/> (852)	<hr/> (133)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease interest paid	(8)	(7)
Deposit placed with a licenced bank	-	(6,646)
Dividend paid	(2,977)	(2,977)
Net repayments of short term borrowings	-	(4,765)
Net repayments of lease liabilities	(346)	(238)
Net cash used in financing activities	<hr/> (3,331)	<hr/> (14,633)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2024 (Cont'd)

	6 months ended	
	30/6/2024	30/6/2023
	RM'000	RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,062)	(14,438)
CASH & CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	18,339	25,884
EFFECT OF EXCHANGE RATES CHANGES	(50)	5
CASH & CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>14,227</u>	<u>11,451</u>
Represented by:-		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	14,227	11,451
Bank overdrafts	-	-
	<u>14,227</u>	<u>11,451</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Company's Annual Report 2023 and the accompanying explanatory notes attached to this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. BASIS OF PREPARATION

The interim financial report of YX Precious Metals Bhd (“YXPM” or “Company”) and its subsidiaries (“Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: *Interim Financial Reporting* and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

This interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2023 as disclosed in the Company’s Annual Report 2023 and the accompanying notes attached to this interim financial report.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted and disclosed in the Group’s audited financial statements for the financial year ended 31 December 2023.

The following MFRSs, Amendment to MFRSs and IC Interpretation have been issued but has not been early adopted by the Group.

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Interchangeability</i>	1 January 2025
<i>Amendments to the Classification and Measurement of Financial Instruments</i> (Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosure</i>)	1 January 2026
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

A3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report for the preceding annual financial statements of the Group was not subject to any qualification.

A4. SEASONAL OR CYCLICAL FACTORS

The Group’s business traditionally picks up before the main festive seasons in Malaysia.

A5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review and year-to-date.

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in the estimates during the current quarter under review and year-to-date.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**(The figures have not been audited)****PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont’d)****A7. ISSUANCES, REPURCHASES AND REPAYMENTS OF DEBTS AND EQUITY INSTRUMENTS**

There were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities during the current quarter under review and year-to-date.

A8. DIVIDEND PAID

A first and final single tier dividend of 0.80 sen per ordinary share for the financial year ended 31 December 2023 amounting to RM2,977,200 was recommended by the Board of Directors of the Company (“**Board**”) on 2 April 2024 for shareholders’ approval at its Annual General Meeting held on 14 May 2024. Shareholders’ approval for the said first and final single tier dividend was obtained on 14 May 2024 and the payment of dividend was subsequently made on 31 May 2024 to shareholders whose names appeared in Company’s record of depositors on 16 May 2024.

In the previous corresponding year, a first and final single tier dividend of 0.80 sen per ordinary share for the financial year ended 31 December 2022 amounting to RM2,977,200 was recommended by the Board on 3 April 2023 for shareholders’ approval at its Annual General Meeting held on 10 May 2023. Shareholders’ approval for the said first and final single tier dividend was obtained on 10 May 2023 and the payment of dividend was subsequently made on 2 June 2023 to shareholders whose names appeared in Company’s record of depositors on 18 May 2023.

A9. OPERATING SEGMENTAL INFORMATION

The business activities of the Group are predominantly located in Malaysia and as such, segment reporting by geographical location is not presented.

The Group has two reportable segments as follows:

Segments

Wholesale	Wholesaling of gold jewellery and other related products and services
Design and manufacture	Design and manufacturing of gold jewellery and other related products and services

Analysis of the Group’s segment information for the current quarter and year-to-date under review is as follows:

30 June 2024	Individual Quarter 3 months ended			Year-to-date 6 months ended		
	Wholesale RM’000	Design and Manufacture RM’000	Total RM’000	Wholesale RM’000	Design and Manufacture RM’000	Total RM’000
Revenue						
Total sales	52,536	15,377	67,913	111,952	25,103	137,055
Inter-segment sales	(3,010)	(3,062)	(6,072)	(3,010)	(3,638)	(6,648)
External sales	49,526	12,315	61,841	108,942	21,465	130,407
Results						
Profit before tax	2,684	1,069	3,753	6,056	1,307	7,363
Tax expense	(669)	(245)	(914)	(1,524)	(301)	(1,825)
Profit for the period	2,015	824	2,839	4,532	1,006	5,538

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**(The figures have not been audited)****PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)****A9. OPERATING SEGMENTAL INFORMATION (Cont'd)**

30 June 2023	Individual Quarter 3 months ended			Year-to-date 6 months ended		
	Wholesale RM'000	Design and Manufacture RM'000	Total RM'000	Wholesale RM'000	Design and Manufacture RM'000	Total RM'000
Revenue						
Total sales	48,650	17,637	66,287	106,122	24,135	130,257
Inter-segment sales	(2,936)	(1,545)	(4,481)	(2,936)	(2,944)	(5,880)
External sales	45,714	16,092	61,806	103,186	21,191	124,377
Results						
Profit before tax	2,482	1,303	3,785	5,243	2,099	7,342
Tax expense	(635)	(317)	(952)	(1,340)	(513)	(1,853)
Profit for the period	1,847	986	2,833	3,903	1,586	5,489

Assets and liabilities as at 30 June 2024	Wholesale RM'000	Design and Manufacture RM'000	Total RM'000
Assets			
Segment assets	80,663	33,163	113,826
Unallocated assets			34
			<u>113,860</u>
Liabilities			
Segment liabilities	4,280	1,328	5,608
Unallocated liabilities			375
			<u>5,983</u>
30 June 2023			
Assets			
Segment assets	77,439	27,203	104,642
Unallocated assets			354
			<u>104,996</u>
Liabilities			
Segment liabilities	1,505	1,338	2,843
Unallocated liabilities			251
			<u>3,094</u>

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation of property, plant and equipment during the current quarter under review and year-to-date.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024
(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont’d)

A11. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE CURRENT QUARTER

There were no significant events subsequent to the end of the current quarter under review.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes to the composition of the Group during the current quarter under review and year-to-date.

A13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 30 June 2024.

A14. CAPITAL COMMITMENT

Capital commitment as at 30 June 2024 is as follows:

	RM’000
Capital expenditure in respect of purchase of property, plant and equipment:	
Approved but not contracted for	<u>7,029</u>

Save as disclosed above, there were no other material commitments as at 30 June 2024.

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

Save as disclosed below, there were no other significant related party transactions during the current quarter and year-to-date under review:

	Individual Quarter		Year-to-date	
	3 months ended		6 months ended	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
	RM’000	RM’000	RM’000	RM’000
Related companies				
Sales of goods and services	4,727	13,167	18,750	24,719
Purchase of goods	4,851	13,359	14,179	20,301
Hedging cost on gold price fluctuations	104	72	151	110
Rental of server	1	1	2	2
Dividend paid	2,084	2,084	2,084	2,084
Promotional and selling expenses	-	-	1	-
Related parties				
Sales of goods	-	9	-	9
Purchase of manufacturing tools	52	24	65	51
Rental of premises	58	58	116	116

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**(The figures have not been audited)****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. PERFORMANCE REVIEW*****Comparison between current quarter and previous year corresponding quarter***

	Individual Quarter 3 months ended			
	30/6/2024 RM'000	30/6/2023 RM'000	Variance	
			RM'000	%
Revenue				
Wholesale	49,526	45,714	3,812	8.34
Design and Manufacture	12,315	16,092	(3,777)	(23.47)
Total	61,841	61,806	35	0.06
Profit before tax				
Wholesale	2,684	2,482	202	8.14
Design and Manufacture	1,069	1,303	(234)	(17.96)
Total	3,753	3,785	(32)	(0.85)

The Group recorded an increase in revenue of RM0.04 million or 0.06% to RM61.84 million as compared to previous year corresponding quarter. The increase was contributed mainly by the increase in revenue from wholesale segment as a result of higher gold jewellery selling price. However, the overall revenue was partially offset by the decrease in revenue from design and manufacture segment due to lower gold jewellery volume sold to customers in Peninsular Malaysia during the current quarter under review.

The Group's profit before tax decreased by RM0.03 million or 0.85% to RM3.75 million as compared to previous year corresponding quarter due mainly to lower gross profit margin and higher administrative expenses recorded. Nonetheless, the decrease in profit before tax was cushioned by the recognition of fair value gain on derivative amounting to RM0.40 million during the current quarter under review.

Comparison between current financial year-to-date and previous financial year-to-date

	Year-to-date 6 months ended			
	30/6/2024 RM'000	30/6/2023 RM'000	Variance	
			RM'000	%
Revenue				
Wholesale	108,942	103,186	5,756	5.58
Design and Manufacture	21,465	21,191	274	1.29
Total	130,407	124,377	6,030	4.85
Profit before tax				
Wholesale	6,056	5,243	813	15.51
Design and Manufacture	1,307	2,099	(792)	(37.73)
Total	7,363	7,342	21	0.29

The Group recorded an increase in revenue of RM6.03 million or 4.85% to RM130.41 million as compared to previous financial year-to-date. The increase was due mainly to higher gold jewellery selling price from both wholesale as well as design and manufacture segments.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**(The figures have not been audited)****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)****B1. PERFORMANCE REVIEW (continued)**

The Group's profit before tax increased by RM0.02 million or 0.29% as compared to previous financial year-to-date due mainly to higher revenue and better gross profit margin recorded. However, the increase in profit before tax was off-set by the recognition of fair value loss on derivative amounting to RM0.67 million during the current financial year-to-date.

Comparison with immediate preceding quarter's results

	3 months ended		Variance	
	31/6/2024 RM'000	31/3/2024 RM'000	RM'000	%
Revenue	61,841	68,566	(6,725)	(9.81)
Profit before tax	3,753	3,610	143	3.96

The Group's revenue for the current quarter ended 30 June 2024 has decreased by RM6.73 million or 9.81% to RM61.84 million as compared to the immediate preceding quarter due mainly to lower gold jewellery sales volume from both segments as a result of lower demands from customers.

The Group's profit before tax increased by RM0.14 million or 3.96% as compared to previous quarter due mainly to the recognition of fair value gain on derivative amounting to RM0.40 million. However, the increase in profit before tax was off-set by lower revenue and gross profit margin recorded.

B2. COMMENTARY ON PROSPECTS

The Group anticipates the business conditions would remain challenging, primarily influenced by geo-political risks, the fluctuations of global gold prices, foreign exchange rate and local jewellery demands with such uncertainties continuing to affect the global and local markets.

The Group remains vigilant and will take necessary measures to meet the challenges ahead. The Group expects the financial performance for the financial year ending 2024 to be satisfactory.

B3. PROFIT FORECAST, PROFIT ESTIMATE OR PROFIT GUARANTEE

The Group has not issued any profit forecast, profit estimate or profit guarantee in any public document.

B4. TAXATION

	Individual Quarter 3 months ended		Year-to-date 6 months ended	
	30/6/2024 RM'000	30/6/2023 RM'000	30/6/2024 RM'000	30/6/2023 RM'000
Current taxation	914	952	1,825	1,853
Deferred taxation	-	-	-	-
	914	952	1,825	1,853
Effective tax rate (%)	24.35	25.15	24.79	25.24
Statutory tax rate (%)	24.00	24.00	24.00	24.00

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**(The figures have not been audited)****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont’d)****B4. TAXATION (continued)**

The effective tax rate of the Group for the current quarter and financial year-to-date are higher than the statutory tax rate of 24.00% due mainly to certain expenses incurred which are not deductible for tax purposes.

B5. CORPORATE PROPOSALS

On 19 April 2024, Public Investment Bank Berhad, on behalf of the Board, announced that the Company proposed to undertake the proposed transfer of the listing of and quotation for the entire issued share capital of YXPM from the ACE Market to the Main Market of Bursa Securities (“**Proposed Transfer**”). The application in relation to the Proposed Transfer has been submitted to the Securities Commission Malaysia (“**SC**”) on 29 April 2024. The SC had, vide its letter dated 22 July 2024, approved the Proposed Transfer.

On 26 July 2024, the application in relation to the Proposed Transfer has been submitted to Bursa Securities, which was subsequently approved on 19 August 2024. The Company has also on 19 August 2024 announced that the transfer listing from the ACE Market to the Main Market of Bursa Securities will be effected on 22 August 2024.

Save for the above, there were no other corporate proposals announced by the Company but not completed as at the date of this interim financial report.

B6. UTILISATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING OF THE COMPANY (“IPO”)

The utilisation of proceeds as disclosed below should be read in conjunction with the Prospectus of the Company dated 30 May 2022 and the announcement of the Company dated 19 April 2024 in respect of the extension of the timeframe for the utilisation of proceeds raised from the IPO. The status of utilisation of proceeds from IPO as at 30 June 2024 are as follows:

Purposes	Proposed utilisation	Actual utilisation	Balance unutilised	Deviation	Estimated time frame for use (from the Listing Date)
	RM’000	RM’000	RM’000	RM’000	
Purchase of new machinery and equipment for expansion of hollow gold jewellery range	4,400	1,043	3,357	-	⁽ⁱ⁾ Within 48 months
Expansion and upgrading of operational facilities	2,500	632	1,868	-	⁽ⁱ⁾ Within 48 months
Working capital					
- Purchase of raw materials	20,861	21,389	-	⁽ⁱⁱ⁾ 528	Within 12 months
Estimated listing expenses	3,500	2,972	-	⁽ⁱⁱ⁾ (528)	Within 3 months
Total	31,261	26,036	5,225	-	

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**(The figures have not been audited)****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont’d)****B6. UTILISATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING OF THE COMPANY (“IPO”) (continued)****Notes:**

- (i) On 19 April 2024, the Company had announced that the Board has resolved to extend the timeframe for the utilisation of IPO proceeds of RM5.29 million allocated for the purchase of new machinery and equipment for expansion of hollow gold jewellery range, as well as expansion and upgrading of operational facilities from 22 June 2024 (being the last day of the original timeframe of the proposed utilisation) to 22 June 2026.
- (ii) Pursuant to Section 4.4.4 of the Company’s Prospectus dated 30 May 2022, if the actual listing expenses are higher than budgeted, the deficit will be funded by internally generated funds. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital purposes.

As such, the excess of RM0.53 million was utilised for working capital purposes.

B7. LOANS AND BORROWINGS

As at 30 June 2024, the Group does not have any borrowings.

B8. DERIVATIVE FINANCIAL INSTRUMENTS

As at 30 June 2024, the derivative financial instruments of the Group are as follows:

	Unaudited 30/6/2024		Audited 31/12/2023	
	Contract amount RM’000	Derivative liabilities RM’000	Contract amount RM’000	Derivative liabilities RM’000
Gold loan contracts:				
Repayable less than 1 year	7,488	1,489	8,523	823

These gold contracts were entered into with the objective of managing and hedging the Group’s exposure to adverse price movements of gold. The fair values of the components have been determined based on counter parties’ quotes as at the end of each reporting period.

The above contracts are initially recognised at fair value on the date such contracts are entered into and are subsequently re-measured at fair value through profit or loss.

The risks associated with the derivatives, policies to mitigate those risks, cash requirements of the derivatives and related accounting policies are unchanged since the financial year ended 31 December 2023.

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Net gain/(loss) arising from fair value changes of the gold loan contracts are as follows:

	Individual Quarter		Year-to-date	
	3 months ended		6 months ended	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
	RM'000	RM'000	RM'000	RM'000
Fair value gain/(loss)	396	-	(666)	-

The fair value changes are attributable to changes in global spot gold price and foreign exchange rate.

B9. FAIR VALUE OF FINANCIAL LIABILITIES

Other than the net gain/(loss) arising from fair value changes of the derivative liabilities as disclosed in Note B8, there was no gain or loss arising from fair value changes of financial liabilities for the current quarter under review and financial year-to-date as the Group did not have any other financial liabilities measured at fair value.

B10. CHANGES IN MATERIAL LITIGATIONS

There were no material litigations during the current quarter under review up to the date of this interim financial report.

B11. DIVIDEND PAYABLE

No dividend in respect of financial year ending 31 December 2024 has been declared or recommended for payment by the Board during the current quarter under review.

B12. EARNINGS PER SHARE

	Individual Quarter		Year-to-date	
	3 months ended		6 months ended	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
	RM'000	RM'000	RM'000	RM'000
Consolidated profit for the financial period attributable to equity holders of the parent	2,839	2,833	5,538	5,489
Number of ordinary shares in issue ('000)	372,150	372,150	372,150	372,150
Basic earnings per share (sen)	0.76	0.76	1.49	1.47
Diluted earnings per share (sen)	0.76	0.76	1.49	1.47

Basic earnings per share and diluted earnings per share are calculated based on the consolidated profit for the financial period attributable to equity holders of the parent divided by the number of ordinary shares of the Company during the financial period.

There are no dilutive instruments at the end of the financial period.

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Profit before tax is arrived at after charging:

	Individual Quarter		Year-to date	
	3 months ended		6 months ended	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	178	149	327	297
Depreciation of right-of-use asset	181	124	345	248
Finance costs	17	16	34	72
Fair value (gain)/loss on derivative	(396)	-	666	-
Gain on disposal of property, plant and equipment	(4)	-	(129)	-
Net realised and unrealised (gain)/loss on foreign exchange	(2)	3	(9)	(2)

Save for the above, the other disclosure items as required under Rule 16 of Appendix 9B of the Listing Requirements are not applicable.

By Order of the Board

Secretary

Teoh Kok Jong (LS 04719/ PC No. 201908001451)

Dated : 20 August 2024