



MANFORCE GROUP

Think Workforce, Think Manforce

MANFORCE GROUP BERHAD

(Registration No.: 201701014455 (1228620-V))

(Incorporated in Malaysia)

HALF-YEARLY ANNOUNCEMENT FOR FINANCIAL STATEMENTS YEAR ENDED 29 FEBRUARY 2024

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY MANFORCE GROUP BERHAD ("MANFORCE" OR THE "COMPANY" OR THE "GROUP"). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2024 ⁽¹⁾

	Unaudited 29 Feb 2024 RM'000	Audited 28 Feb 2023 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	907	694
Right-of-use assets	3,628	3,437
Intangible assets	124	120
Investment properties	390	470
Other investments	2,914	2,377
	<u>7,963</u>	<u>7,098</u>
CURRENT ASSETS		
Inventories	68	76
Trade and other receivables	21,105	20,954
Prepayments	8,161	5,156
Contract assets	10,022	6,692
Tax recoverable	617	1,705
Fixed deposits with licensed banks	2,542	2,303
Cash and bank balances	6,532	5,079
	<u>49,047</u>	<u>41,965</u>
TOTAL ASSETS	<u>57,010</u>	<u>49,063</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2024 ⁽¹⁾ (CONTINUED)

	Unaudited 29 Feb 2024 RM'000	Audited 28 Feb 2023 RM'000
EQUITY AND LIABILITIES		
EQUITY		
Share capital	21,329	21,329
Reorganisation reserves	(12,599)	(12,599)
Retained earnings	18,423	12,212
TOTAL EQUITY	<u>27,153</u>	<u>20,942</u>
NON-CURRENT LIABILITIES		
Bank borrowings	7,112	5,340
Lease liabilities	53	-
Deferred tax liabilities	20	21
	<u>7,185</u>	<u>5,361</u>
CURRENT LIABILITIES		
Trade and other payables	11,711	11,045
Bank borrowings	10,782	11,715
Lease liabilities	179	-
	<u>22,672</u>	<u>22,760</u>
TOTAL LIABILITIES	<u>29,857</u>	<u>28,121</u>
TOTAL EQUITY AND LIABILITIES	<u>57,010</u>	<u>49,063</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.0849	0.0654

Note:

1. The Unaudited Condensed Consolidated Statement Of Financial Position is to be read in conjunction of the accompanying explanatory notes attached to this interim financial report.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 29 FEBRUARY 2024 ⁽¹⁾

	Individual 6 Months Ended		Cumulative 12 Months Ended	
	29 Feb 2024	28 Feb 2023	29 Feb 2024	28 Feb 2023
	RM'000	RM'000	RM'000	RM'000
Revenue	78,472	N/A	145,450	N/A
Cost of sales	(66,281)	N/A	(124,087)	N/A
Gross profit	12,191	N/A	21,363	N/A
Other income	230	N/A	485	N/A
Administrative expenses	(6,236)	N/A	(12,005)	N/A
Net reversal on impairment of financial instruments	(70)	N/A	(70)	N/A
Other expenses	(1)	N/A	(2)	N/A
Other gains/losses	(150)	N/A	26	N/A
Operating profit	5,964	N/A	9,797	N/A
Finance income	57	N/A	91	N/A
Finance costs	(545)	N/A	(1,145)	N/A
Profit before tax	5,476	N/A	8,743	N/A
Tax expense	(1,749)	N/A	(2,532)	N/A
Net profit for the financial year	3,727	N/A	6,211	N/A
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive profit for the financial year	3,727	N/A	6,211	N/A
Total comprehensive profit for the financial year attributable to:				
Owner of the Company	3,727	N/A	6,211	N/A
Non-Controlling interests	-	N/A	-	N/A
	3,727	N/A	6,211	N/A
Earnings per ordinary share (sen):				
- Basic	1.16	N/A	1.94	N/A

Note:

1. There is no comparative figure for the financial year ended 29 February 2024 due to the changes in the financial year end of our company from 30 September to 28 February as stated in explanatory notes to the interim financial report. The Unaudited Condensed Consolidated Statement of Comprehensive Income for the financial year ended 29 February 2024 is not comparable with the individual and cumulative quarter previously reported.

The Unaudited Condensed Consolidated Statement Of Profit Or Loss And Other Comprehensive Income is to be read in conjunction of the accompanying explanatory notes attached to this interim financial report



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 29 FEBRUARY 2024 ⁽¹⁾

	Attributable to owners of the Company			Subtotal RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Reorganisation reserve RM'000	Retained earnings RM'000			
As at 1 October 2021 (Audited)	21,329	(12,599)	10,514	19,244	-	19,244
Total comprehensive income for the financial year	-	-	1,698	1,698	-	1,698
As at 28 February 2023 / 1 March 2023 (Audited)	21,329	(12,599)	12,212	20,942	-	20,942
Total comprehensive profit for the financial year	-	-	6,211	6,211	-	6,211
As at 29 February 2024 (Unaudited)	21,329	(12,599)	18,423	27,153	-	27,153

Note:

1. The Unaudited Condensed Consolidated Statement Of Changes In Equity is to be read in conjunction of the accompanying explanatory notes attached to this interim financial report.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 29 FEBRUARY 2024 ⁽¹⁾

	12 Months Ended	
	Unaudited 29 Feb 2024	Audited 28 Feb 2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,743	N/A
Adjustments for :		
Depreciation of plant and equipment	231	N/A
Depreciation of right-of-use assets	46	N/A
Amortisation of intangible asset	23	N/A
Depreciation of investment property	5	N/A
Fair value loss on financial assets at FVPL - realised	(14)	N/A
Fair value (gain) on financial assets at FVPL - unrealised	(12)	N/A
Finance costs		
- bank overdraft	288	N/A
- hire purchases payable	19	N/A
- term loans	477	N/A
- lease liability	1	N/A
- revolving credits	48	N/A
- invoicing financing	289	N/A
- others	23	N/A
Finance income		
- deposits placed with licensed banks	(72)	N/A
- other interest income	(1)	N/A
- unwinding of discount of financial asset	(285)	N/A
Operating profit before working capital changes	9,809	N/A

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 29 FEBRUARY 2024 (CONTINUED) ⁽¹⁾

	12 Months Ended	
	Unaudited 29 Feb 2024 RM'000	Unaudited 28 Feb 2023 RM'000
Changes in working capital:		
Inventories	8	N/A
Trade and other receivables, deposits and prepayments	(3,157)	N/A
Contract assets	(3,330)	N/A
Trade and other payables	666	N/A
Cash generated from operations	3,996	N/A
Interest received	1	N/A
Interest paid	(1,126)	N/A
Tax paid, net of tax refunded	(1,445)	N/A
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,426	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of quoted equity securities	115	N/A
Purchase of quoted equity securities	(341)	N/A
Purchase of plant and equipment	(444)	N/A
Purchase of intangible assets	(28)	N/A
Purchase of right of use assets	(236)	N/A
Change in pledged deposits	307	N/A
Dividend income received	260	N/A
NET CASH USED IN INVESTING ACTIVITIES	(367)	N/A

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 29 FEBRUARY 2024 (CONTINUED) ⁽¹⁾

	12 Months Ended	
	Unaudited 29 Feb 2024 RM'000	Unaudited 28 Feb 2023 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(19)	N/A
Drawdown of Borrowings	2,972	N/A
Drawdown of revolving credit	2,950	N/A
Drawdown of lease liabilities	232	N/A
Repayment of term loans	(643)	N/A
Repayment of invoice financing	(1,000)	N/A
Repayment of lease liabilities	(126)	N/A
NET CASH GENERATED FROM FINANCING ACTIVITIES	4,366	N/A
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,425	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(860)	N/A
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	4,565	N/A

Note:

1. There is no comparative figure for the financial year ended 29 February 2024 due to the changes in the financial year end of our company from 30 September to 28 February as stated in explanatory notes to the interim financial report. The unaudited condensed consolidated statement of cash flows statement for the financial year ended 29 February 2024 is not comparable with the individual and cumulative quarter previously reported.

The unaudited condensed consolidated statement of cash flows statement is to be read in conjunction of the accompanying explanatory notes attached to this interim financial report.



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Part A – Explanatory notes to the interim financial statements for the year ended 29 FEBRUARY 2024

1. Basis of preparation

The interim financial statements of Manforce are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting.

This is the interim financial report on the financial results for the financial year ended 29 February 2024 announced by the Company in compliance with Paragraph 6.12 of the LEAP Market Listing Requirements of Bursa Securities ("Listing Requirements").

The interim financial report should be read in conjunction with the Audited Financial Statements of the Group for the financial period ended 28 February 2023 and the accompanying explanatory notes attached to this interim financial report.

2. Significant accounting policies

The significant accounting policies adopted by the Group in this report are consistent with those adopted in the Audited Financial Statements of the Group for the financial period ended 28 February 2023 except for the adoption of the following new and amended MFRS, and Issues Committee ("IC") Interpretations mandatory for annual financial periods beginning on or after 1 March 2023:



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2. Significant accounting policies (Continued)

Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's financial statements are disclosed below. The Group intend to adopt these standards, if applicable, when they become effective.

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023#
MFRS 3	Business Combinations	1 January 2023#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2023#
MFRS 9	Financial Instruments:	1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#/ 1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	1 January 2023#
MFRS 132	Financial Instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 140	Investment Property	1 January 2023#

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts.

The Directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application.



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3. Auditors' report

The auditors' report of the preceding annual financial statements of the Company and of the Group was not subject to any qualification.

4. Seasonal or cyclical factors

The Group's operations were generally not affected by any seasonal or cyclical factors for the current financial period-to-date under review.

5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity or cash flows of the Group during the current financial period-to-date under review.

6. Material changes in accounting estimates

There were no material changes in accounting estimates in the current financial period-to-date under review.

7. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial period-to-date under review.

8. Debt and equity securities

There were no other issuance, cancellation, repurchase, resales and repayment of debt and equity securities for the current financial period-to-date under review.



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9. Other investments

	12 Months Ended	
	Unaudited 29 Feb 2024 RM'000	Audited 28 Feb 2023 RM'000
Non-current		
<u>Financial asset at amortised cost</u>		
- Unquoted debt security	811	526
<u>Financial asset at fair value through profit or loss</u>		
- Quoted shares	2,103	1,851
	<u>2,914</u>	<u>2,377</u>
Current		
<u>Financial asset at fair value through profit or loss</u>		
- Quoted investment fund	-	-

10. Breakdown of cash and cash equivalents

	12 Months Ended	
	Unaudited 29 Feb 2024 RM'000	Unaudited 28 Feb 2023 RM'000
Deposits placed with licensed banks	2,542	2,303
Less: Pledged deposits	(1,791)	(2,212)
	<u>751</u>	<u>91</u>
Cash and bank balances	6,531	5,079
Bank overdraft	(2,717)	(6,030)
Cash and cash equivalents	<u>4,565</u>	<u>(860)</u>



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11. Segmental information

The Group's revenue based on its activities are presented as follows:

	29 Feb 2024		28 Feb 2023	
	RM'000	%	RM'000	%
Revenue				
Foreign worker management services	90,972	62.54	N/A	N/A
Manual labour services	53,551	36.82	N/A	N/A
Hostel Management services	260	0.18	N/A	N/A
Other ancillary services	668	0.46	N/A	N/A
Total	<u>145,451</u>	<u>100.00</u>	<u>N/A</u>	<u>N/A</u>

Our Group's revenues are generated based on the following:

- Revenue from foreign workers management services business segment are generated based on a pre-agreed rates per foreign worker depending on the shifts (normal day, public holiday or overtime);
- Revenue from manual labour services business segment are generated based on pre-agreed rates calculated based on the number of days and hours worked or output of unit of production; and
- Revenue from other ancillary services are mainly agent fees received from the sale of foreign worker insurance products, income from distribution of top-up phone usage, and remittance services.



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12. Related parties transactions

Related parties	Relationship	Nature of transaction	29 Feb 2024 RM'000	28 Feb 2023 RM'000
MNC HARDWARE TRADING SDN BHD	A company own by family members of Directors	Purchase of equipment/tools	117	130
OE GALAXY RESORT SDN BHD	A company own by a Director	Employment services rendered	96	114
PRO CURTAIN INSTALLATION SERVICES SDN BHD	A company own by a Director	Employment services rendered	252	644
MK CURTAIN PREMIUM SDN BHD	A company own by a Director	Employment services rendered	6	9
MKAYE GROUP SDN BHD	A company own by a Director	Employment services rendered	45	66
MK TEXTILES HOLDINGS SDN BHD	A company own by a Director	Employment services rendered	11	50
IMI SUPPLIES SDN BHD	A company own by family members of Directors	Employment services rendered	2	-

Saved from the above, there were no related parties transactions in the current financial period-to-date under review.

13. Material events during the financial period

There were no material events during the financial period under review.

14. Material events subsequent to the end of the financial period

There were no material events subsequent to the end of the financial period under review.

15. Capital commitments

Saved from the proposed utilisation of proceeds as disclosed in the Part C, Note 4, we do not have any material capital commitment as at the date of this report.



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16. Loans and borrowings

	29 Feb 2024 RM'000	28 Feb 2023 RM'000
Non-current liabilities		
- Term Loans	6,833	5,067
- Hire Purchases	280	273
- Lease Liabilities	53	-
	7,166	5,340
Current liabilities		
- Lease liabilities	179	-
- Term Loans	1,364	973
- Hire Purchases	118	79
- Bank Overdraft	2,717	6,030
- Revolving Credit	6,583	3,633
- Invoice Factoring	-	1,000
	10,961	11,715
	<u>18,127</u>	<u>17,055</u>

17. Earnings per share

- a) The basic earnings per share for the current financial period-to-date under review are computed as below:

	Individual 6 Months Ended		Cumulative 12 Months Ended	
	29 Feb 2024 RM'000	28 Feb 2023 RM'000	29 Feb 2024 RM'000	28 Feb 2023 RM'000
Profit attributable to the owners of the Company (RM'000)	3,727	N/A	6,211	N/A
Weighted average number of ordinary shares in issue ('000)	319,983	N/A	319,983	N/A
Basic earnings per share (sen)	<u>1.16</u>	<u>N/A</u>	<u>1.94</u>	<u>N/A</u>

- b) Diluted earnings per share is the same as the basic earnings per share as there were no potential dilutive instruments.

18. Contingent assets and contingent liabilities

There were no contingent assets and contingent liabilities as at 29 February 2024.



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Part B – Additional information required under the Leap Market Listing Requirements

1. Review of performance

During the financial year under review for the 12-month ended 29 February 2024, the Group recorded a revenue of approximately RM145 million. The revenue for the current year is mainly contributed from foreign workers management services, which represent 63% of the Group's revenue while the remaining 37% of the total revenue was derived from manual labour management services.

The Group recorded comprehensive Profit before taxation of RM8.7million for the current financial year under review and this was mainly due to higher revenue from management of foreign workers as a result continued increase in demand from new customers and existing customers respectively. However, due to the change in financial year end in 2023, it is not possible to compare the current year under review of the Group's financial performance with previous financial period.

2. Prospects of the Group

For the current financial year, we expect the workers management industry to demonstrate modest growth, which will be driven by continued demand by customers and contract for services.

The Group will continue to explore more business opportunities, locally to further enhance its customers base, and cement its market share in the workers management industry.

Based on the above mentioned and barring unforeseen circumstances, we remain optimistic in our outlook as we pursue opportunities in the markets that we operate in, but remain prudent to the continue global economic uncertainties.

The Board of Directors expect the group's financial performance for the current financial year to be satisfactorily.

3. Variance of actual profit from profit forecast and profit guarantee

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.



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Part C – Other information

1. Status of corporate proposals

Saved from the proposed utilisation of proceeds as disclosed in the Part C, Note 4, there were no other corporate proposals announced and pending completion as the date of this report.

2. Material litigation

There are no material litigations pending as at the date of this report.

3. Dividends

No dividend declared and paid by the Company since the end of the previous financial year.

4. Utilisation of Proceeds

The total gross proceeds of approximately RM8.64 million from the proposed placement will be utilised by our Group in the following manner:

Purpose	Proposed utilisation RM'000	Actual utilisation (a) RM'000	Balance RM'000	Revised Utilisation RM'000	Actual utilisation (a) RM'000	Balance RM'000	timeframe for utilisation upon listing	Actual utilisation (a) RM'000	Balance RM'000	Estimated timeframe for utilisation upon listing	Actual utilisation (a) RM'000	Balance RM'000
Working capital:												
- Hiring costs	6,100	2,822	3,278	(3,278)								
- Medical fees/examination and processing fee for the workers' work permits	1,060	490	570	(570)								
- Staff salaries for sales and marketing team	380	380	-									
Estimated listing expenses (b)	1,100	1,100	-									
Renewal of work permit, and processing fee	-	-	-	2,874	2,874	-						
Support and Administrative employee salaries	-	-	-	500	500	-						
Enhancement of Software Development	-	-	-	375	180	195	Additional 6 months of up to 7 September 2023	31	164	Additional 6 months of up to 7 March 2024	164	-
Repayment of HP creditor	-	-	-	99	99	-						
Total	8,640	4,792	3,848	3,848	3,653	195		31	164		164	-

(a) Utilisation as at 29 February 2024.

(b) The Group incurred listing expenses of RM1.43 million, of which RM0.33 million came from internally generated funds.