



MANFORCE GROUP

Think Workforce, Think Manforce

MANFORCE GROUP BERHAD

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

(Incorporated in Malaysia)

HALF-YEARLY ANNOUNCEMENT FOR FINANCIAL STATEMENTS PERIOD ENDED 31 AUGUST 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.

**MANFORCE GROUP BERHAD**

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
31 AUGUST 2024 ⁽¹⁾**

	Unaudited 31 Aug 2024 RM'000	Audited 29 Feb 2024 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	914	907
Right-of-use assets	3,578	3,628
Intangible assets	138	124
Investment properties	388	390
Other investments	2,922	2,914
	<u>7,940</u>	<u>7,963</u>
CURRENT ASSETS		
Inventories	65	68
Trade and other receivables	24,400	21,516
Prepayments	8,187	8,161
Contract assets	10,960	10,022
Tax recoverable	-	616
Fixed deposits with licensed banks	3,335	2,792
Cash and bank balances	8,960	6,301
	<u>55,907</u>	<u>49,476</u>
TOTAL ASSETS	<u>63,847</u>	<u>57,439</u>



MANFORCE GROUP BERHAD
(Registration No.: 201701014455 (1228620-V))
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
31 AUGUST 2024 ⁽¹⁾ (CONTINUED)**

	Unaudited 31 Aug 2024 RM'000	Audited 29 Feb 2024 RM'000
EQUITY AND LIABILITIES		
EQUITY		
Share capital	21,329	21,329
Reorganisation reserves	(12,599)	(12,599)
Retained earnings	24,118	18,906
Equity attributable to owners of the Company	32,848	27,636
Non-Controlling interests	(149)	-
TOTAL EQUITY	32,699	27,636
NON-CURRENT LIABILITIES		
Bank borrowings	6,386	7,112
Lease liabilities	151	179
Deferred tax liabilities	20	20
	6,557	7,311
CURRENT LIABILITIES		
Trade and other payables	16,061	11,638
Bank borrowings	8,120	10,801
Lease liabilities	55	53
Tax liabilities	355	-
	24,591	22,492
TOTAL LIABILITIES	31,148	29,803
TOTAL EQUITY AND LIABILITIES	63,847	57,439
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.1027	0.0864

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.

**MANFORCE GROUP BERHAD**

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

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 AUGUST 2024 ⁽¹⁾

	Individual 6 Months Ended		Cumulative 6 Months Ended	
	31 Aug 2024	31 Aug 2023	31 Aug 2024	31 Aug 2023
	RM'000	RM'000	RM'000	RM'000
Revenue	87,843	66,978	87,843	66,978
Cost of sales	(73,948)	(57,806)	(73,948)	(57,806)
Gross profit	13,895	9,172	13,895	9,172
Other income	133	255	133	255
Administrative expenses	(6,941)	(5,769)	(6,941)	(5,769)
Other expenses	-	(1)	-	(1)
Other gains/losses	(2)	175	(2)	175
Operating profit	7,085	3,832	7,085	3,832
Finance income	44	34	44	34
Finance costs	(573)	(599)	(573)	(599)
Profit before tax	6,556	3,267	6,556	3,267
Tax expense	(1,493)	(784)	(1,493)	(784)
Net profit for the financial year	5,063	2,483	5,063	2,483
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive profit for the financial year	5,063	2,483	5,063	2,483
Total comprehensive profit for the financial year attributable to:				
Owner of the Company	5,212	2,483	5,212	2,483
Non-Controlling interests	(149)	-	(149)	-
	5,063	2,483	5,063	2,483
Earnings per ordinary share (sen):				
- Basic	1.63	0.78	1.63	0.78

Note:

1. 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.



MANFORCE GROUP BERHAD

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

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 AUGUST 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 March 2023 (Audited)	21,329	(12,599)	12,646	21,376	-	21,376
Total comprehensive income for the financial year	-	-	6,260	6,260	-	6,260
As at 28 February 2024 / 1 March 2024 (Audited)	21,329	(12,599)	18,906	27,636	-	27,636
Total comprehensive profit for the financial period	-	-	5,212	5,212	(149)	5,063
As at 31 August 2024 (Unaudited)	21,329	(12,599)	24,118	32,848	(149)	32,699

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.



MANFORCE GROUP BERHAD

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

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 AUGUST 2024 ⁽¹⁾

	6 Months Ended	
	Unaudited 31 Aug 2024 RM'000	Unaudited 31 Aug 2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,556	3,267
Adjustments for :		
Depreciation of plant and equipment	142	97
Depreciation of right-of-use assets	50	20
Amortisation of intangible asset	10	12
Depreciation of investment property	2	2
Fair value loss on financial assets at FVPL - realised	-	1
Fair value loss/ (gain) on financial assets at FVPL - unrealised	1	(177)
Finance costs		
- bank overdraft	61	197
- hire purchase	10	9
- leases liability	8	-
- term loans	244	202
- revolving credits	232	-
- others	19	-
Finance income		
- deposits placed with licensed banks	(33)	(25)
- other interest income	(1)	-
- unwinding of discount of financial asset	(10)	(9)
Plant and equipment written off	15	-
Operating profit before working capital changes	7,306	3,596

**MANFORCE GROUP BERHAD**

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

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2024 (CONTINUED) ⁽¹⁾

	6 Months Ended	
	Unaudited 31 Aug 2024 RM'000	Unaudited 31 Aug 2023 RM'000
Changes in working capital:		
Inventories	3	(1)
Trade and other receivables, deposits and prepayments	(2,910)	(2,819)
Contract assets	(938)	(3,263)
Trade and other payables	4,422	3,391
Cash generated from operations	7,883	904
Interest received	1	-
Interest paid	(564)	(197)
Tax paid, net of tax refunded	(521)	365
NET CASH GENERATED FROM OPERATING ACTIVITIES	6,799	1,072
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of quoted equity securities	-	36
Purchase of plant and equipment	(163)	(140)
Change in pledged deposits	(543)	108
Acquisition of intangible asset	(24)	(18)
Interest received	33	25
NET CASH (USED IN)/ GENERATED FROM INVESTING ACTIVITIES	(697)	11



MANFORCE GROUP BERHAD
(Registration No.: 201701014455 (1228620-V))
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2024 (CONTINUED) ⁽¹⁾

	6 Months Ended	
	Unaudited 31 Aug 2024 RM'000	Unaudited 31 Aug 2023 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(10)	(211)
Drawdown of revolving credit	-	450
Drawdown of term loans	-	2,643
Repayments of bank borrowings		
- term loans	(672)	-
- hire purchase payables	(58)	-
- invoice financing	-	(1,000)
- lease liabilities	(26)	-
NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES	(766)	1,882
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,336	2,965
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	3,565	(860)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	8,901	2,105

Note:

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



MANFORCE GROUP BERHAD
(Registration No.: 201701014455 (1228620-V))
(Incorporated in Malaysia)

Part A – Explanatory notes to the interim financial statements for the period ended 31 AUGUST 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 period ended 31 August 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 year 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 year ended 28 February 2024 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 2024:



MANFORCE GROUP BERHAD
(Registration No.: 201701014455 (1228620-V))
(Incorporated in Malaysia)

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.



MANFORCE GROUP BERHAD
(Registration No.: 201701014455 (1228620-V))
(Incorporated in Malaysia)

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 except for the following:

On 13 June 2024, a wholly-owned subsidiary of the Group, Manforce Resources (M) Sdn Bhd has disposed-off a 51% equity interest in Agensi Pekerjaan Manforce Resources (M) Sdn Bhd.

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.



MANFORCE GROUP BERHAD
(Registration No.: 201701014455 (1228620-V))
(Incorporated in Malaysia)

9. Other investments

	6 Months Ended	
	Unaudited 31 Aug 2024 RM'000	Audited 29 Feb 2024 RM'000
Non-current		
<u>Financial asset at amortised cost</u>		
- Unquoted debt security	555	545
- Unquoted investment fund	266	266
<u>Financial asset at fair value through profit or loss</u>		
- Quoted shares	2,101	2,103
	<u>2,922</u>	<u>2,914</u>
Current		
<u>Financial asset at fair value through profit or loss</u>		
- Quoted investment fund	-	-

10. Breakdown of cash and cash equivalents

	6 Months Ended	
	Unaudited 31 Aug 2024 RM'000	Unaudited 31 Aug 2023 RM'000
Deposits placed with licensed banks	3,335	2,105
Less: Pledged deposits	<u>(3,335)</u>	<u>(2,105)</u>
	-	-
Cash and bank balances	8,959	5,982
Bank overdraft	<u>(58)</u>	<u>(3,877)</u>
Cash and cash equivalents	<u>8,901</u>	<u>2,105</u>



MANFORCE GROUP BERHAD
(Registration No.: 201701014455 (1228620-V))
(Incorporated in Malaysia)

11. Segmental information

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

	Individual 6 Months Ended			
	31 Aug 2024		31 Aug 2023	
	RM'000	%	RM'000	%
Revenue				
Foreign worker management services	58,959	67.12	39,208	58.54
Manual labour services	28,578	32.53	27,553	41.14
Hostel Management Services	134	0.15	-	-
Other ancillary services	172	0.20	217	0.32
Total	<u>87,843</u>	<u>100.00</u>	<u>66,978</u>	<u>100.00</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.



MANFORCE GROUP BERHAD
(Registration No.: 201701014455 (1228620-V))
(Incorporated in Malaysia)

12. Related parties transactions

Related parties	Relationship	Nature of transaction	31 Aug 2024 RM'000	29 Feb 2024 RM'000
MNC HARDWARE TRADING SDN BHD	A company own by family members of Directors	Purchase of equipment/tools	25	117
OE GALAXY RESORT SDN BHD	A company own by a Director	Employment services rendered	58	96
PRO CURTAIN INSTALLATION SERVICES SDN BHD	A company own by a Director	Employment services rendered	133	252
MK CURTAIN PREMIUM SDN BHD	A company own by a Director	Employment services rendered	1	6
MKAYE GROUP SDN BHD	A company own by a Director	Employment services rendered	26	45
MK TEXTILES HOLDINGS SDN BHD	A company own by a Director	Employment services rendered	-	11
IMI SUPPLIES SDN BHD	A company own by family members of Directors	Employment services rendered	12	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.



MANFORCE GROUP BERHAD
 (Registration No.: 201701014455 (1228620-V))
 (Incorporated in Malaysia)

16. Loans and borrowings

	31 Aug 2024 RM'000	29 Feb 2024 RM'000
Non-current liabilities		
- Term Loans	6,161	6,833
- Hire Purchases	225	280
- Lease Liabilities	151	179
	6,537	7,292
Current liabilities		
- Lease Liabilities	55	53
- Term Loans	1,364	1,364
- Hire Purchases	115	118
- Bank Overdraft	58	2,736
- Revolving Credit	6,583	6,583
	8,175	10,854
	<u>14,712</u>	<u>18,146</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 6 Months Ended	
	31 Aug 2024 RM'000	31 Aug 2023 RM'000	31 Aug 2024 RM'000	31 Aug 2023 RM'000
Profit attributable to the owners of the Company (RM'000)	5,212	2,483	5,212	2,483
Weighted average number of ordinary shares in issue ('000)	319,983	319,983	319,983	319,983
Basic earnings per share (sen)	<u>1.63</u>	<u>0.78</u>	<u>1.63</u>	<u>0.78</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 31 August 2024.



MANFORCE GROUP BERHAD
(Registration No.: 201701014455 (1228620-V))
(Incorporated in Malaysia)

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

1. Review of performance

During the financial period under review for the 6-month ended 31 August 2024, the Group recorded a revenue of approximately RM88 million (2023: RM67 million). The revenue for the current period is mainly contributed from foreign workers management services, which represent 67% or RM59 million of the Group's revenue while the remaining 33% or RM28 million of the revenue was derived from manual labour management services.

The Group registered profit before taxation of RM6.5 million for the current financial period under review, representing an increase of RM3.2 million or 97% from RM3.3 million in previous corresponding period ended 31 Aug 2023 and this was mainly due to higher revenue from management of foreign workers derived from continued rise in demand from new customers and existing customers respectively.

2. Prospects of the Group

The Malaysian economy grew by 5.9% for the 2Q 2024 (1Q 2024:4.2%) mainly supporting by the higher household spending, improving in exports and stronger expansion investment activities. The consumption growth by 6% in 2Q 2024 (1Q 2024:4.7%) due to stronger spending amid positive labour market conditions and larger policy support. Growth of the Malaysian economy in the second half of the year is expected to be driven mainly by firm expansions in investment activity and resilient household spending, with larger support from exports recovery (*Source: Bank Negara Malaysia Quarterly Bulletin: Second Quarter 2024*).

For the current financial year, the Group expect the workers management industry to demonstrate stable growth, which will be driven by the overall Malaysia economy positive outlook. Therefore, the Group's will continue to explore more business opportunities locally to further enhance its customers base together with improved product and services offered, and position its market share in the workers management industry.

Based on the abovementioned and barring unforeseen circumstances in the Group's business activities, the Board of Directors expect the Group's financial performance for the remaining of 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.



MANFORCE GROUP BERHAD
 (Registration No.: 201701014455 (1228620-V))
 (Incorporated in Malaysia)

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	-	Additional 6 months of up to 7 September 2023					
Enhancement of Software Development	-	-	-	375	180	195		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 31 August 2024.

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