



TOPMIX BERHAD

(Registration No: 202201011835 (1457532-M))
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME⁽¹⁾⁽²⁾
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Revenue	21,642	N/A	72,679	N/A
Cost of sales	(14,039)	N/A	(46,680)	N/A
Gross profit	7,603	N/A	25,999	N/A
Other income	87	N/A	293	N/A
Selling and distribution expenses	(891)	N/A	(2,635)	N/A
Administrative expenses	(2,245)	N/A	(9,199)	N/A
Other operating expenses	(344)	N/A	(1,287)	N/A
Profit from operations	4,210	N/A	13,171	N/A
Finance cost	(314)	N/A	(1,241)	N/A
Profit before taxation	3,896	N/A	11,930	N/A
Tax expense	B5 (1,060)	N/A	(3,539)	N/A
Profit after taxation/ total comprehensive income for the period	2,836	N/A	8,391	N/A
Profit after taxation/ total comprehensive income for the period attributable to:				
Owners of the Company	2,836	N/A	8,391	N/A
Earnings per share ("EPS")	B11			
- Basic EPS (sen) ⁽³⁾	0.91	N/A	2.70	N/A
- Diluted EPS (sen) ⁽⁴⁾	0.91	N/A	2.70	N/A

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 27 March 2024 in relation to its initial public offering ("**IPO**") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report announced in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). There are no comparative figures for the preceding corresponding quarter and period-to-date as the Company will only be listed on the ACE Market of Bursa Securities on 23 April 2024 and as such no interim financial report was prepared for the comparative financial period concerned.

TOPMIX BERHAD
Registration No.: 202201011835 (1457532-M)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME⁽¹⁾⁽²⁾
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023 (CONTINUED)**

Notes:

(3) Basic EPS is calculated based on net profit attributable to owners of the Company divided by the Company's share capital of 311,147,000 ordinary shares upon completion of the acquisition of subsidiaries but before the IPO (refer to Note A11).

(4) Diluted EPS is equivalent to the basic EPS as the Company does not have convertible options at the end of the current financial quarter and financial period under review.

N/A Not applicable.

The rest of this page is intentionally left blank

TOPMIX BERHAD
Registration No.: 202201011835 (1457532-M)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾
AS AT 31 DECEMBER 2023

	As at 31.12.2023 Unaudited RM'000	As at 31.12.2022 Audited RM'000
Assets		
Non-current assets		
Property, plant and equipment	9,257	9,784
Right-of-use assets	18,758	16,650
Investment properties	2,362	2,403
Other investments	22	32
Deferred tax assets	210	134
Total non-current assets	<u>30,609</u>	<u>29,003</u>
Current assets		
Inventories	15,661	11,955
Trade receivables	13,677	12,530
Other receivables	2,240	768
Fixed deposits with licensed banks	483	472
Cash and bank balances	7,787	5,556
Total current assets	<u>39,848</u>	<u>31,281</u>
Total Assets	<u>70,457</u>	<u>60,284</u>
Equity and Liabilities		
Equity		
Share capital	31,115	~
Invested equity	-	700
Merger reserves	(30,415)	-
Retained earnings	37,087	29,396
Total Equity Attributable to Owners of the Company	<u>37,787</u>	<u>30,096</u>
Liabilities		
Non-current liabilities		
Loans and borrowings	20,385	20,645
Lease liabilities	274	-
Deferred tax liabilities	12	29
Total non-current liabilities	<u>20,671</u>	<u>20,674</u>
Current liabilities		
Trade payables	2,638	1,993
Other payables	3,430	2,063
Loans and borrowings	5,029	4,384
Lease liabilities	75	-
Current tax liabilities	827	1,074
Total current liabilities	<u>11,999</u>	<u>9,514</u>
Total Liabilities	<u>32,670</u>	<u>30,188</u>
Total Equity and Liabilities	<u>70,457</u>	<u>60,284</u>
Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾	<u>0.12</u>	<u>0.10</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾
AS AT 31 DECEMBER 2023 (CONTINUED)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 27 March 2024 in relation to its IPO and the accompanying explanatory notes attached to this interim financial report.
 - (2) Net assets per ordinary share is calculated based on the Company's share capital of 311,147,000 ordinary shares upon completion of the acquisition of subsidiaries but before the IPO (refer to Note A11).
- ~ Represent RM20.00 only.

The rest of this page is intentionally left blank

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾⁽²⁾
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

	← Non-distributable →			Distributable	Total Equity RM'000
	Share Capital RM'000	Invested Equity RM'000	Merger Reserves RM'000	Retained Earnings RM'000	
At 1 January 2023 (Audited)	~	700	-	29,396	30,096
Profit after taxation/total comprehensive income for the financial period	-	-	-	8,391	8,391
<u>Transaction with owners</u>					
Issuance of shares pursuant to acquisition of subsidiaries	31,115	(700)	(30,415)	-	-
Dividend paid	-	-	-	(700)	(700)
At 31 December 2023 (Unaudited)	31,115	-	(30,415)	37,087	37,787

Notes:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 27 March 2024 in relation to its IPO and the accompanying explanatory notes attached to this interim financial report.
 - (2) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- ~ Represent RM20.00 only.

The rest of this page is intentionally left blank

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾⁽²⁾
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

	Current Period-to-date 31.12.2023 Unaudited RM'000	Preceding Period-to-date 31.12.2022⁽²⁾ Unaudited RM'000
Cash Flows from Operating Activities		
Profit before taxation	11,930	N/A
Adjustments for:		
Impairment losses on trade receivables	65	N/A
Bad debts written off	2	N/A
Depreciation of property, plant and equipment	830	N/A
Depreciation of right-of-use assets	264	N/A
Depreciation of investment properties	41	N/A
Reversal of impairment losses on trade receivables	(49)	N/A
Finance costs	1,241	N/A
Interest income	(53)	N/A
Fair value gain on other investments	(8)	N/A
Gain on disposal of property, plant and equipment	(27)	N/A
Gain on disposal of other investments	(8)	N/A
Unrealised gain on foreign exchange	(4)	N/A
Property, plant and equipment written off	*	N/A
Slow-moving and obsolete inventories written down	41	N/A
Operating profit before working capital changes	14,265	N/A
Working capital changes:		
Increase in receivables	(2,638)	N/A
Increase in inventories	(3,747)	N/A
Increase in payables	1,686	N/A
Cash generated from operations	9,566	N/A
Interest paid	(1,241)	N/A
Income tax paid	(3,879)	N/A
Net cash generated from operating activities	4,446	N/A
Cash Flows from Investing Activities		
Interest received	53	N/A
Movement on fixed deposit pledged to bank	(11)	N/A
Proceed from disposal of other investment	26	N/A
Proceed from disposal of property, plant and equipment	27	N/A
Purchase of property, plant and equipment	(77)	N/A
Purchase of right-of-use assets	(714)	N/A
Net cash used in investing activities	(696)	N/A
Cash Flows from Financing Activities		
Dividend paid	(700)	N/A
Repayment of lease liabilities	(49)	N/A
Repayment of term loans	(1,034)	N/A
Repayment of hire purchases	(300)	N/A
Drawdown of bankers' acceptances	12,502	N/A
Repayment of bankers' acceptances	(11,810)	N/A
Net cash used in financing activities	(1,391)	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾⁽²⁾
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

	Current Period-to-date 31.12.2023 Unaudited RM'000	Preceding Period-to-date 31.12.2022⁽²⁾ Unaudited RM'000
Net increase in cash and cash equivalents	2,359	N/A
Cash and cash equivalents as at beginning of the financial period	5,428	N/A
Cash and cash equivalents as at end of the financial period	7,787	N/A
Cash and cash equivalents comprised of:		
Fixed deposits with licensed banks	483	N/A
Cash and bank balances	7,787	N/A
	8,270	N/A
Pledged fixed deposits with maturity of more than 3 months	(483)	N/A
	7,787	N/A

Notes:-

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 27 March 2024 in relation to its IPO and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

* Negligible

N/A Not applicable.

The rest of this page is intentionally left blank

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

This condensed consolidated interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Rule 9.22 and Appendix 9B of Listing Requirements of Bursa Securities.

This is the Company's first interim financial report on the unaudited condensed consolidated financial results for the fourth quarter ended 31 December 2023 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year's corresponding period.

This interim financial report should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 27 March 2024 in relation to its IPO and the accompanying explanatory notes attached to this interim financial report.

A2. Summary of Material Accounting Policies

The summary of material accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Accountants' Report as disclosed in the Prospectus dated 27 March 2024 in relation to its IPO except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

Effective for annual period beginning on or after 1 January 2024

- Amendments to MFRS 7, Financial Instruments: Disclosures – *Supplier Financing Arrangements*
- Amendments to MFRS 16, Lease - *Lease liability in a Sale and Leaseback*
- Amendment to MFRS 101, Presentation of Financial Statements – *Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, Statement of Cash Flows - *Supplier Finance Arrangements*

Effective for annual period beginning on or after 1 January 2025

- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates - *Lack of Exchangeability*

Effective date yet to be confirmed

- Amendments to MFRS 10 and MFRS 128, Consolidated Financial Statement and Investments in Associates and Joint Ventures - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group will adopt the abovementioned standards, amendments or interpretations, if applicable, when they become effective in respective financial periods.

The initial application of the above standards is not expected to have any material impact to the financial statements of the Group upon adoption.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

A3. Auditors' Report on Preceding Annual Financial Statements

There were no qualifications on the audited consolidated financial statements of the Group for the financial year ended 31 December 2022.

A4. Seasonal or Cyclical Factors

The Group's operation was not significantly affected by any unusual seasonal or cyclical factors in the current quarter and financial period-to-date under review.

A5. Unusual Items Due to Their Nature, Size or Incidence

There were no extraordinary and exceptional items of unusual items affecting assets, liabilities, equity, net income, or cash flows in the current quarter and financial period-to-date under review.

A6. Material Changes in Estimates

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

A7. Debt and Equity Securities

Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities by the Group during the interim financial reporting period under review, other than as reported below:

- On 17 May 2023, the Company entered into a share sale agreement with Teo Quek Siang, Tan Lee Hong and J And T Resources Sdn Bhd ("**Vendors**") to acquire the entire equity interest in Topmix Resources Sdn Bhd, Topmix Products Sdn Bhd and Dekoracio Top Sdn Bhd from Teo Quek Siang and Tan Lee Hong for a total purchase consideration of RM31,114,680.
- The total purchase consideration of RM31,114,680 for the Acquisition of Subsidiaries was arrived after taking into consideration the combined audited net assets of Subsidiaries as at 31 December 2022 amounting to RM31,114,790 and was satisfied by the issuance of 311,146,800 new shares to the Vendors at an issue price of RM0.10 per share. Details of Vendors and the number of Shares issued to them under this acquisition are set out in Section 6.2 of the Prospectus.
- The acquisition of subsidiaries was completed on 17 May 2023.

A8. Dividend Paid

The amount of dividends paid by the Company during the financial period were as follows:

- i) In respect of the financial year ended 31 December 2022
 - an interim single-tier dividend of RM0.90 on 500,000 ordinary shares, amounting to RM450,000 and RM2.50 on 100,000 ordinary shares, amounting to RM250,000 declared on 10 January 2023 and has been paid on 12 January 2023 to the shareholders of the Company.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

A9. Segmental Information

The Group's revenue is segmented as follows:

Revenue by business activities and products

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>		<u>12 months ended</u>	
	31.12.2023	31.12.2022⁽²⁾	31.12.2023	31.12.2022⁽²⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Trading of:				
High pressure laminate ("HPL") products	20,591	N/A	68,632	N/A
Other surface decorative products ⁽¹⁾	978	N/A	3,696	N/A
Kitchen and wardrobe accessories	73	N/A	351	N/A
	21,642	N/A	72,679	N/A

Notes:

- (1) Other surface decorative products comprising compact panels, polyvinyl chloride ("PVC") plywood, decorative boards, PVC edging and wall panels.
- (2) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

N/A Not applicable.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

A10. Material events subsequent to the end of the reporting period

- (i) On 26 February 2024, the Board of Directors declared an interim single-tier dividend of 0.096 sen per ordinary share in respect of financial period ending 30 September 2023, amounting to RM300,000, has been paid on 29 February 2024 to the shareholders of the Company.
- (ii) In conjunction with the Company's listing on the ACE Market of Bursa Securities ("**Listing**"), the Company proposes to undertake the IPO at an issue price of RM0.31 per share, comprising:
- (1) Public Issue of 82,709,000 new ordinary shares in the Company (the "**Shares**") in the following manner ("**Public Issue**"):
- 19,693,000 new Shares available for application by the Malaysian public by way of balloting;
 - 7,877,000 new Shares available for application by the eligible Directors and employees as well as persons who have contributed to the success of the Group; and
 - 55,139,000 new Shares by way of private placement to selected Bumiputera investors approved by the Ministry of Investment, Trade and Industry and selected investors.
- (2) Offer for sale of 19,693,000 existing shares by way of private placement to selected investors.

Upon completion of the IPO, the issued share capital of the Company will increase to 393,856,000 Shares.

Pursuant thereto, the Company's entire enlarged share capital is expected to be listed and quoted on the ACE Market of Bursa Securities on 23 April 2024.

Save as disclosed above, there were no other material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A11. Changes in the composition of the Group

Acquisition of Subsidiaries

On 17 May 2023, the Company entered into a share sale agreement with Teo Quek Siang, Tan Lee Hong and J And T Resources Sdn Bhd ("**Vendors**") to acquire the entire equity interest in Topmix Resources Sdn Bhd, Topmix Products Sdn Bhd and Dekoracio Top Sdn Bhd from Teo Quek Siang and Tan Lee Hong for a total purchase consideration of RM31,114,680.

The total purchase consideration of RM31,114,680 for the Acquisition of Subsidiaries was arrived after taking into consideration the combined audited net assets of Subsidiaries as at 31 December 2022 amounting to RM31,114,790 and was satisfied by the issuance of 311,146,800 new shares to the Vendors at an issue price of RM0.10 per share.

The acquisition of subsidiaries was completed on 17 May 2023.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

A12. Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets in the Group as at the date of this interim financial report.

A13. Related Party Transactions Disclosures

There were no related party transactions between the Group and related party for the current financial quarter.

A14. Capital Commitments

Saved as disclosed below, there are no other material capital commitments as at the end of the current financial quarter under review.

	31.12.2023 Unaudited RM'000
Approved and contracted for:	
Property, plant and equipment	1,252
Right-of-use assets	135
	<hr/>
	1,387 <hr/> <hr/>

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of Financial Performance

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>		<u>12 months ended</u>	
	<u>31.12.2023</u>	<u>31.12.2022⁽¹⁾</u>	<u>31.12.2023</u>	<u>31.12.2022⁽¹⁾</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	21,642	N/A	72,679	N/A
Gross profit (" GP ")	7,603	N/A	25,999	N/A
Profit before tax	3,896	N/A	11,930	N/A
Profit after tax	2,836	N/A	8,391	N/A
Profit attributable to owners of the Company	2,836	N/A	8,391	N/A

Notes:-

(1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

N/A Not applicable.

The Group recorded revenue of approximately RM21.64 million for the current financial quarter under review mainly due to sales of HPL products which accounted for RM20.59 million, representing 95.15% of the total revenue.

The Group recorded a GP and GP margin of RM7.60 million and 35.12% respectively in the current financial quarter. The GP margin of 35.12% is within the average of GP margin recorded over the financial years ended 2020, 2021 and 2022, which ranges from 34.49% to 35.70% as disclosed in the Prospectus.

The Group recognised profit before tax of RM3.90 million for the current financial quarter under review after deducting expenses, which are mainly attributed to selling and distribution expenses of RM0.89 million and administrative expenses of RM2.25 million.

There are no comparative figures for the corresponding preceding quarter's results as this is the first interim financial report being announced by the Company in compliance with the Listing Requirements.

B2. Comparison with Immediate Preceding Quarter's Results

There are no comparative figures for the immediate preceding quarter as this is the first interim financial report on the unaudited condensed consolidated financial results announced by the Company.

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B3. Prospects of the Group

According to the Independent Market Research Report prepared by Providence Strategic Partners Sdn Bhd as disclosed in the Prospectus, the surface decorative products market is expected to continue growth, supported by recovery in commercial and residential property markets, foreign investment and domestic investment growth activities, population growth and urbanization, growing affluence of population and supportive government initiatives aimed at encouraging home ownership as well as achieving inclusive and sustainable economic in Malaysia.

The Group is principally involved in the marketing and sales of its own brands of surface decorative products. The Group also undertakes the design of surface decorative products internally as well as in collaboration with third-party décor paper suppliers.

By leveraging its competitive strengths (as listed in Section 6.8 of the Prospectus) as a total surface decorative products company, the Group believes that it is well positioned to tap on the expected growth in the surface decorative products industry.

The Group's business strategies and plans will be centered on the following areas (as listed in Section 6.19 of the Prospectus):

- (i) expansion into assembly of melamine faced chipboard ("MFC") products;
- (ii) further expand to northern region of Peninsular Malaysia;
- (iii) further enhance Topmix HPL mobile application; and
- (iv) expand warehouse capacity in central region of Peninsular Malaysia.

B4. Variance of actual profits from profit forecast

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review.

B5. Income tax expense

Income tax expense comprise the following:

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31.12.2023	31.12.2022⁽²⁾	31.12.2023	31.12.2022⁽²⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Current period:				
Income tax	1,110	N/A	3,633	N/A
Deferred tax	(50)	N/A	(94)	N/A
	<u>1,060</u>	N/A	<u>3,539</u>	N/A
Effective tax rate ⁽¹⁾ (%)	27.21	N/A	29.66	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B5. Income tax expense (continued)

Notes:

- (1) The Group's effective tax rate for the current financial quarter and period-to-date was higher than the statutory tax rate mainly due to expenses incurred which were non-deductible for tax purposes.
- (2) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

N/A Not applicable.

B6. Status of Corporate Proposals

On 27 March 2024, the Company issued its Prospectus in relation to the IPO in conjunction with the listing of the Company on the ACE Market of Bursa Securities, comprising the public issue of 82,709,000 new Shares and offer for sale of 19,693,000 existing Shares in the Company. The Listing is pending completion as the Company is expected to be listed on 23 April 2024.

Save as disclosed above, there were no other corporate proposals pending completion as at the date of this interim financial report.

B7. Utilisation of proceeds from the Public Issue

The gross proceeds to be raised from the Public Issue of RM25.64 million is expected to be utilised in the following manner:

Detail of use of proceeds	Proposed utilisation⁽¹⁾ RM'000	Percentage of utilisation %	Estimated timeframe for utilisation⁽²⁾
Expansion into assembly of MFC products	5,318	20.74	Within 60 months
Business expansion, marketing and sales	5,978	23.32	Within 24 months
General working capital	11,344	44.24	Within 24 months
Estimated listing expenses	3,000	11.70	Within 1 month
	25,640	100.0	

Note:

- (1) The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 27 March 2024. As at the date of this interim financial report, the IPO is pending completion, hence there is no utilisation of proceeds by the Company yet.
- (2) From the date of listing of the Company.

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B8. Group borrowings and debts securities

	31.12.2023	31.12.2022
	Unaudited	Audited
	RM'000	RM'000
Non-current Secured		
Term loans	19,651	19,848
Hire purchases	734	797
	<u>20,385</u>	<u>20,645</u>
Current Secured		
Bank overdrafts	-	128
Bankers' acceptances	3,633	2,941
Term loans	1,130	1,039
Hire purchases	266	276
Short-term borrowings	<u>5,029</u>	<u>4,384</u>
Total borrowings	<u>25,414</u>	<u>25,029</u>

B9. Material Litigations

There were no material litigations by or against the Group as at 31 December 2023.

B10. Dividends

On 26 February 2024, the Board of Directors declared an interim single-tier dividend of 0.096 sen per ordinary share in respect of financial period ending 30 September 2023, amounting to RM300,000, has been paid on 29 February 2024 to the shareholders of the Company.

B11. Earnings Per Share ("EPS")

The basic and diluted EPS for the current financial quarter under review and financial period-to-date are computed as follows:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		12 months ended	
	31.12.2023	31.12.2022⁽¹⁾	31.12.2023	31.12.2022⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	2,836	N/A	8,391	N/A
Weighted average number of ordinary shares in issue (unit) ('000)	311,147	N/A	311,147	N/A
Basic EPS (sen) ⁽²⁾	0.91	N/A	2.70	N/A
Diluted EPS (sen) ⁽³⁾	<u>0.91</u>	<u>N/A</u>	<u>2.70</u>	<u>N/A</u>

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B11. Earnings Per Share ("EPS") (Continued)

Notes:

- (1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (2) Basic EPS is calculated based on net profit attributable to owners of the Company divided by the Company's share capital of 311,147,000 ordinary shares upon completion of the acquisition of subsidiaries but before the IPO (refer to Note A11).
- (3) Diluted EPS is equivalent to the basic EPS as the Company does not have convertible options at the end of the current financial quarter and financial period under review.

N/A Not applicable.

B12. Profit Before Taxation

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		12 months ended	
	31.12.2023	31.12.2022⁽¹⁾	31.12.2023	31.12.2022⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
After charging /(crediting):				
Impairment losses on trade receivables	22	N/A	65	N/A
Bad debts written off	-	N/A	2	N/A
Depreciation:				
- property, plant and equipment	213	N/A	830	N/A
- right-of-use assets	69	N/A	264	N/A
- investment properties	11	N/A	41	N/A
Expenses relating to short-term and lease low-value- assets	6	N/A	27	N/A
Fair value gain on other investment	(3)	N/A	(8)	N/A
Finance costs	314	N/A	1,241	N/A
Listing expenses	117	N/A	631	N/A
Loss on foreign exchange - realised	37	N/A	85	N/A

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B12. Profit Before Taxation (continued)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		12 months ended	
	31.12.2023	31.12.2022 ⁽¹⁾	31.12.2023	31.12.2022 ⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
After charging / (crediting):				
Property, plant and equipment written off	-	N/A	*	N/A
(Reversal of)/Slow-moving inventories written off	(4)	N/A	41	N/A
Gain on disposal of other investment	-	N/A	(8)	N/A
Gain on disposal of property, plant and equipment	(27)	N/A	(27)	N/A
Gain on foreign exchange - unrealised	(13)	N/A	(4)	N/A
Interest income	(10)	N/A	(53)	N/A
Lease income	(34)	N/A	(128)	N/A
Reversal of impairment losses on trade receivables	-	N/A	(49)	N/A

Notes:

(1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

* Negligible

N/A Not applicable.

B13. Authorisation for Issue

This interim financial report was authorised for issue by the Board on 18 April 2024.