



TOPMIX BERHAD

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

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

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 SECOND QUARTER ENDED 30 JUNE 2024**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Revenue	21,652	N/A	41,009	N/A
Cost of sales	(13,591)	N/A	(26,008)	N/A
Gross profit	8,061	N/A	15,001	N/A
Other income	220	N/A	348	N/A
Selling and distribution expenses	(1,114)	N/A	(2,003)	N/A
Administrative expenses ⁽³⁾	(2,820)	N/A	(6,170)	N/A
Other operating expenses	(251)	N/A	(643)	N/A
Profit from operations	4,096	N/A	6,533	N/A
Finance cost	(312)	N/A	(628)	N/A
Profit before taxation	3,784	N/A	5,905	N/A
Tax expense	B5 (1,145)	N/A	(1,998)	N/A
Profit after taxation/ total comprehensive income for the period	2,639	N/A	3,907	N/A
Profit after taxation/ total comprehensive income for the period attributable to:				
Owners of the Company	2,660	N/A	3,928	N/A
Non-controlling interests	(21)	N/A	(21)	N/A
	<u>2,639</u>	<u>N/A</u>	<u>3,907</u>	<u>N/A</u>
Earnings per share ("EPS") B11				
- Basic EPS (sen) ⁽⁴⁾	0.68	N/A	1.00	N/A
- Diluted EPS (sen) ⁽⁵⁾	0.68	N/A	1.00	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 audited financial statements of Topmix Berhad ("**Topmix**" or the "**Company**") and its subsidiaries ("**Topmix Group**" or the "**Group**") for the financial year ended ("**FYE**") 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME⁽¹⁾⁽²⁾
FOR THE SECOND QUARTER ENDED 30 JUNE 2024 (CONTINUED)**

Notes:

- (2) This is the third 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 corresponding quarter and period-to-date as the Company was 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.
- (3) Included in the administrative expenses were one-off listing related expenses of approximately RM0.18 million and RM0.95 million for the current quarter and financial period under review, respectively. For illustration purposes only, the Group's normalised profit before taxation after adjusting for the one-off listing related expenses is as follows:

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Profit before taxation	3,784	N/A	5,905	N/A
Add : One-off listing related expenses	176	N/A	949	N/A
Adjusted profit before taxation	3,960	N/A	6,854	N/A

- (4) Basic EPS is calculated based on net profit attributable to owners of the Company divided by the weighted average number of ordinary shares.
- (5) The diluted EPS is equivalent to the basic EPS as the Company has no potential dilutive ordinary shares for the current quarter and financial period under review. The Company does not have outstanding warrant and option which may dilute its basic EPS.

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 30 JUNE 2024

	As at 30.06.2024 Unaudited RM'000	As at 31.12.2023 Audited RM'000
Assets		
Non-current assets		
Property, plant and equipment	9,117	9,257
Right-of-use assets	20,017	18,758
Investment properties	2,342	2,362
Other investments	-	22
Deferred tax assets	210	210
Total non-current assets	31,686	30,609
Current assets		
Inventories	20,507	15,661
Trade receivables	14,128	13,677
Other receivables	4,786	2,240
Fixed deposits with licensed banks	21,733	483
Cash and bank balances	7,400	7,787
Total current assets	68,554	39,848
Total Assets	100,240	70,457
Equity and liabilities		
Equity		
Share capital	55,438	31,115
Merger reserves	(30,415)	(30,415)
Retained earnings	40,715	37,087
Equity attributable to owners of the Company	65,738	37,787
Non-controlling interests	(21)	-
Total Equity	65,717	37,787
Liabilities		
Non-current liabilities		
Loans and borrowings	21,040	20,385
Lease liabilities	1,254	274
Deferred tax liabilities	12	12
Total non-current liabilities	22,306	20,671

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾
AS AT 30 JUNE 2024 (CONTINUED)

	As at 30.06.2024 Unaudited RM'000	As at 31.12.2023 Audited RM'000
Current liabilities		
Trade payables	3,399	2,638
Other payables	2,193	3,430
Loans and borrowings	4,947	5,029
Lease liabilities	432	75
Current tax liabilities	1,246	827
Total current liabilities	12,217	11,999
Total Liabilities	34,523	32,670
Total Equity and Liabilities	100,240	70,457
Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾	0.17	0.12

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 audited financial statements of the Group for the FYE 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the Company's number of ordinary shares at the end of the reporting period/year.

The rest of this page is intentionally left blank

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾⁽²⁾
FOR THE SECOND QUARTER ENDED 30 JUNE 2024

	Attributable to owners of the Company			Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Non-distributable Share Capital RM'000	Merger Reserves RM'000	Distributable Retained Earnings RM'000			
At 1 January 2024 (Audited)	31,115	(30,415)	37,087	37,787	-	37,787
Profit after taxation/total comprehensive income for the financial period	-	-	3,928	3,928	(21)	3,907
<u>Transaction with owners</u>						
Dividend paid	-	-	(300)	(300)	-	(300)
Issuance of shares pursuant to IPO	25,640	-	-	25,640	-	25,640
Shares issuance expenses	(1,317)	-	-	(1,317)	-	(1,317)
At 30 June 2024 (Unaudited)	55,438	(30,415)	40,715	65,738	(21)	65,717

Notes:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

The rest of this page is intentionally left blank

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾⁽²⁾
FOR THE SECOND QUARTER ENDED 30 JUNE 2024

	Current Period-to-date 30.06.2024 Unaudited RM'000	Preceding Year Corresponding Period 30.06.2023⁽²⁾ Unaudited RM'000
Cash Flows from Operating Activities		
Profit before taxation	5,905	N/A
Adjustments for:		
Impairment losses on trade receivables	75	N/A
Depreciation of property, plant and equipment	369	N/A
Depreciation of right-of-use assets	168	N/A
Depreciation of investment properties	20	N/A
Reversal of impairment losses on trade receivables	(65)	N/A
Finance costs	628	N/A
Interest income	(154)	N/A
Fair value gain on other investment	(33)	N/A
Gain on disposal of other investment	(2)	N/A
Loss on disposal of property, plant and equipment	10	N/A
Unrealised gain on foreign exchange	(6)	N/A
Reversal of slow-moving and obsolete inventories written down	(2)	N/A
Operating profit before working capital changes	6,913	N/A
Working capital changes:		
Increase in receivables	(3,007)	N/A
Increase in inventories	(4,844)	N/A
Decrease in payables	(470)	N/A
Cash used in operations	(1,408)	N/A
Interest paid	(628)	N/A
Income tax paid	(1,579)	N/A
Net cash used in operating activities	(3,615)	N/A
Cash Flows from Investing Activities		
Interest received	154	N/A
Movement on fixed deposit pledged to bank	4	N/A
Proceeds from disposal of property, plant and equipment	2	N/A
Proceeds from disposal of other investment	57	N/A
Purchase of property, plant and equipment	(241)	N/A
Purchase of right-of-use assets	(26)	N/A
Net cash used in investing activities	(50)	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾⁽²⁾
FOR THE SECOND QUARTER ENDED 30 JUNE 2024 (CONTINUED)

	Current Period-to-date 30.06.2024 Unaudited RM'000	Preceding Year Corresponding Period 30.06.2023⁽²⁾ Unaudited RM'000
Cash Flows from Financing Activities		
Dividend paid	(300)	N/A
Net proceeds from issuance of new shares	24,323	N/A
Repayment of lease liabilities	(64)	N/A
Drawdown of term loan	383	N/A
Repayment of term loans	(559)	N/A
Drawdown of hire purchase	1,284	N/A
Repayment of hire purchases	(172)	N/A
Drawdown of bankers' acceptances	5,530	N/A
Repayment of bankers' acceptances	(5,893)	N/A
Net cash generated from financing activities	24,532	N/A
Net increase in cash and cash equivalents	20,867	N/A
Cash and cash equivalents as at beginning of the financial period	7,787	N/A
Cash and cash equivalents as at end of the financial period	28,654	N/A
Cash and cash equivalents comprised of:		
Cash and bank balances	7,400	N/A
Fixed deposits with licensed banks	21,733	N/A
	29,133	N/A
Pledged fixed deposits	(479)	N/A
	28,654	N/A

Notes:-

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year's corresponding period available as no interim financial report was prepared for the comparative financial period concerned.

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 third interim financial report on the unaudited condensed consolidated financial results for the second quarter ended 30 June 2024 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 audited financial statements of the Group for the FYE 31 December 2023 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 audited financial statements of the Group for the FYE 31 December 2023 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 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 accounting standards, amendments or interpretations in respective financial year when become effective, if applicable.

The initial application of the above accounting standards, amendments or interpretations 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 2023.

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 under review.

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

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

A6. Material Changes in Estimates

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

A7. Debt and Equity Securities

Pursuant to the Company's listing on the ACE Market of Bursa Securities, the Company had issued 82,709,000 new ordinary shares at an Initial Public Offering ("IPO") price of RM0.31 per ordinary share.

The IPO was completed and the Company was listed on the ACE Market of Bursa Securities on 23 April 2024 with the enlarged share capital of 393,856,000 ordinary shares.

Saved as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities by the Group during the financial period under review.

A8. Dividend Paid

In respect of the financial year ended 31 December 2023, the Company declared an interim single-tier dividend of 0.096 sen for 311,147,000 ordinary shares, totalling to RM300,000 on 26 February 2024 and paid on 29 February 2024 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>	
	3 months ended		6 months ended	
	30.06.2024	30.06.2023⁽²⁾	30.06.2024	30.06.2023⁽²⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Trading of:				
High pressure laminate ("HPL") products	20,503	N/A	39,045	N/A
Other surface decorative products ⁽¹⁾	484	N/A	950	N/A
Wall panels products	405	N/A	511	N/A
Compact panels products	260	N/A	503	N/A
	21,652	N/A	41,009	N/A

Notes:

- (1) Other surface decorative products comprising polyvinyl chloride ("PVC") plywood, decorative boards, PVC edging and kitchen and wardrobe accessories.
- (2) This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the 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

On 1 August 2024, TMX International Sdn. Bhd. ("TMXI"), a wholly-owned subsidiary of the Company, had entered into a Shareholders' Agreement with Damai Kempas Sdn. Bhd. and Damai Estate Sdn. Bhd. to distributing the surface decorative products in Thailand via an associate company, Favor Topmix (Thailand) Co., Ltd. ("Favor Topmix"). Upon incorporation of Favor Topmix on 15 August 2024, TMXI has a shareholding interest of 35%.

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

A11. Changes in the Composition of the Group

On 15 May 2024, a new entity, TMX Solutions (Penang) Sdn. Bhd. was incorporated with initial share capital of RM100 and was held by Topmix Resources Sdn. Bhd. with a shareholding interest of 75%. The principal activity of the entity consists of marketing and sales of surface decorative products.

On 21 May 2024, a new wholly-owned subsidiary, TMX International Sdn. Bhd. was incorporated with initial share capital of RM1. The principal activity of the entity consists of investment holding.

Saved as disclosed above, there were no changes in the composition of the Group in the current quarter and financial period under review.

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 quarter and financial period under review.

A14. Capital Commitments

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

	30.06.2024
	Unaudited
	RM'000
Approved and contracted for:	
Property, plant and equipment	348
Right-of-use assets	135
	<hr/>
	483
	<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>6 months ended</u>	
	<u>30.06.2024</u>	<u>30.06.2023⁽¹⁾</u>	<u>30.06.2024</u>	<u>30.06.2023⁽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	21,652	N/A	41,009	N/A
Gross profit (" GP ")	8,061	N/A	15,001	N/A
Profit before tax	3,784	N/A	5,905	N/A
Profit after tax	2,639	N/A	3,907	N/A
Profit attributable to owners of the Company	<u>2,660</u>	<u>N/A</u>	<u>3,928</u>	<u>N/A</u>

Notes:

(1) This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the 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 RM21.65 million for the current quarter under review mainly due to sales of HPL products which accounted for RM20.50 million, representing 94.69% of the total revenue.

The Group recorded a GP and GP margin of RM8.06 million and 37.23% respectively in the current quarter.

The Group recognised profit before tax of RM3.78 million for the current quarter under review after deducting expenses, which are mainly attributed to selling and distribution expenses of RM1.11 million and administrative expenses of RM2.82 million.

The Group incurred one-off listing related expenses of RM0.18 million which were charged out to the profit or loss during the current quarter.

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

B2. Comparison with Immediate Preceding Quarter's Results

	Current Quarter 30.06.2024 Unaudited RM'000	Preceding Quarter 31.03.2024 Unaudited RM'000	Variance	
			RM'000	%
Revenue	21,652	19,357	2,295	11.86
Gross profit ("GP")	8,061	6,940	1,121	16.15
Profit before tax	3,784	2,121	1,663	78.41
Profit after tax	2,639	1,268	1,371	>100.00

The Group's revenue for the current quarter increased by RM2.30 million or 11.86% to RM21.65 million as compared to RM19.36 million in the preceding quarter. The increase in revenue in the current quarter was mainly due to the positive demand contributed from HPL products and wall panels products. The revenue of HPL products increased by RM1.96 million to RM20.50 million in the current quarter as compared to RM18.54 million in the preceding quarter. The revenue of wall panels products also increased by RM0.30 million to RM0.41 million in the current quarter as compared to RM0.10 million in the preceding quarter.

The Group recorded a higher gross profit which was due to higher revenue contributed during the current quarter.

The Group's profit before tax for the current quarter increased by RM1.66 million or 78.41% to RM3.78 million as compared to RM2.12 million in the immediate preceding quarter. The increase in profit before tax was mainly due to higher gross profit recognised.

B3. Prospects of the Group

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 urbanisation, 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.

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

B4. Variance of Actual Profits from Profit Forecast

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

B5. Income Tax Expense

Income tax expense comprise the following:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		6 months ended	
	30.06.2024	30.06.2023 ⁽²⁾	30.06.2024	30.06.2023 ⁽²⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Current period:				
Income tax	1,140	N/A	1,998	N/A
Deferred tax	5	N/A	-	N/A
	<u>1,145</u>	<u>N/A</u>	<u>1,998</u>	<u>N/A</u>
Effective tax rate ⁽¹⁾ (%)	30.26	N/A	33.84	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Notes:

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

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

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	Actual utilisation RM'000	Balance to be utilised RM'000	Estimated timeframe for utilisation⁽²⁾
Expansion into assembly of MFC products	5,318	-	5,318	Within 60 months
Business expansion, marketing and sales	5,978	-	5,978	Within 24 months
General working capital	11,344	-	11,344	Within 24 months
Estimated listing expenses	3,000	3,000	-	Within 1 month
	25,640	3,000	22,640	

Notes:

- (1) The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 27 March 2024.
- (2) From the date of listing of the Company.

B8. Group Borrowings and Debts Securities

	30.06.2024 Unaudited RM'000	31.12.2023 Audited RM'000
Non-current Secured		
Term loans	19,451	19,651
Hire purchases	1,589	734
	21,040	20,385
Current Secured		
Bankers' acceptances	3,270	3,633
Term loans	1,154	1,130
Hire purchases	523	266
Short-term borrowings	4,947	5,029
	25,987	25,414

B9. Material Litigations

There were no material litigations by or against the Group as at the date of this interim financial report.

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

B10. Dividends Payable

On 22 August 2024, the Board of Directors declared the first single-tier dividend of 0.25 sen per ordinary share in respect of financial year ending 31 December 2024. The entitlement dates and payment dates are 6 September 2024 and 3 October 2024 respectively.

B11. Earnings Per Share ("EPS")

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>		<u>6 months ended</u>	
	<u>30.06.2024</u>	<u>30.06.2023⁽¹⁾</u>	<u>30.06.2024</u>	<u>30.06.2023⁽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>
Profit attributable to owners of the Company	2,660	N/A	3,928	N/A
Weighted average number of ordinary shares in issue (unit) ('000)	393,856	N/A	393,856	N/A
Basic EPS (sen) ⁽²⁾	0.68	N/A	1.00	N/A
Diluted EPS (sen) ⁽³⁾	0.68	N/A	1.00	N/A

Notes:

- (1) This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the 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 weighted average number of ordinary shares.
- (3) The diluted EPS is equivalent to the basic EPS as the Company has no potential dilutive ordinary shares for the current quarter and financial period under review. The Company does not have outstanding warrant and option which may dilute its basic EPS.

N/A Not applicable.

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

B12. Profit Before Taxation

	<u>Individual Quarter</u> 3 months ended		<u>Cumulative Quarter</u> 6 months ended	
	30.06.2024 Unaudited RM'000	30.06.2023 ⁽¹⁾ Unaudited RM'000	30.06.2024 Unaudited RM'000	30.06.2023 ⁽¹⁾ Unaudited RM'000
After charging /(crediting):				
Impairment losses on trade receivables	(25)	N/A	75	N/A
Depreciation:				
- property, plant and equipment	187	N/A	369	N/A
- right-of-use assets	99	N/A	168	N/A
- investment properties	10	N/A	20	N/A
Expenses relating to short-term and lease low-value- assets	7	N/A	14	N/A
Fair value gain on other investment	(30)	N/A	(33)	N/A
Finance costs	312	N/A	628	N/A
Gain on foreign exchange - realised	(36)	N/A	(19)	N/A
Reversal of slow- moving and obsolete inventories written down	(3)	N/A	(2)	N/A
Gain on disposal of other investment	(2)	N/A	(2)	N/A
Loss on disposal of property, plant and equipment	-	N/A	10	N/A
Gain on foreign exchange - unrealised	(8)	N/A	(6)	N/A
Interest income	(130)	N/A	(154)	N/A
Lease income	(34)	N/A	(69)	N/A
Reversal of impairment losses on trade receivables	-	N/A	(65)	N/A

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

B12. Profit Before Taxation (continued)

Notes:

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

N/A Not applicable.

B13. Authorisation for Issue

This interim financial report was authorised for issue by the Board on 22 August 2024.