

POLYDAMIC

POLYDAMIC GROUP BERHAD

(Incorporated in Malaysia)

Company No: 201801037913 (1299943-W)

Unaudited Condensed Consolidated Financial Statements for the
2nd Half-Year Ended 30 June 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 AND 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 US. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN US AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

POLYDAMIC GROUP BERHAD
Company No: 201801037913 (1299943-W)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	30.06.2024 ⁽¹⁾	30.06.2023	30.06.2024 ⁽¹⁾	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	11,775	12,898	21,903	28,404
Cost of sales	(5,020)	(6,232)	(10,790)	(13,901)
Gross profit	6,755	6,666	11,113	14,503
Other operating income	224	412	428	505
Selling and distribution expenses	(148)	(176)	(213)	(368)
Administrative expenses	(2,325)	(3,103)	(4,635)	(5,252)
Finance costs	(132)	(138)	(271)	(260)
Profit before tax	4,374	3,661	6,422	9,128
Tax expenses	(1,104)	(1,150)	(1,524)	(2,266)
Profit for the financial period/year	3,270	2,511	4,898	6,862
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial period/year	3,270	2,511	4,898	6,862
Profit for the financial period/year attributable to owners of the Group	3,270	2,511	4,898	6,862
Earnings per ordinary share (sen) ⁽²⁾				
- Basic	3.70	2.85	5.55	7.78
- Diluted	N/A	N/A	N/A	N/A

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Company No: 201801037913 (1299943-W)
(Incorporated in Malaysia)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended ("FYE") 30 June 2023 and the accompanying explanatory notes attached to this unaudited condensed consolidated financial report.
- (2) Earnings per share is computed based on the Company's total number of issued shares of 88,236,002 as at the end of the respective reporting period. During the financial year, there were no shares in issuance which would have a dilutive effect on the earnings per share of the Group.
- N/A Not applicable

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

	UNAUDITED As at 30.06.2024 ⁽¹⁾	AUDITED As at 30.06.2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	10,546	9,305
Investment properties	352	367
Right-of-use assets	136	111
Deferred tax assets	270	289
	<u>11,304</u>	<u>10,072</u>
Current assets		
Inventories	2,450	3,008
Receivables	11,303	9,408
Contract assets	4,587	1,278
Deposits, cash and bank balances	8,549	13,755
Tax assets	789	122
	<u>27,678</u>	<u>27,571</u>
TOTAL ASSETS	<u><u>38,982</u></u>	<u><u>37,643</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	8,382	8,382
Merger reserve	(4,800)	(4,800)
Retained earnings	25,766	21,309
Total equity attributable to owners of the Group	<u>29,348</u>	<u>24,891</u>
Non-current liabilities		
Borrowings	4,706	5,291
Lease liabilities	37	51
Deferred tax liabilities	173	89
	<u>4,916</u>	<u>5,431</u>
Current liabilities		
Payables	2,057	2,736
Contract liabilities	1,969	3,888
Borrowings	588	562
Lease liabilities	103	61
Tax liabilities	1	74
	<u>4,718</u>	<u>7,321</u>
Total liabilities	<u>9,634</u>	<u>12,752</u>
TOTAL EQUITY AND LIABILITIES	<u><u>38,982</u></u>	<u><u>37,643</u></u>
Net assets per share (RM) ⁽²⁾	<u>0.33</u>	<u>0.28</u>

Notes:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited consolidated financial statements of the Group for the FYE 30 June 2023 and the accompanying explanatory notes attached to this unaudited condensed consolidated financial report.

(2) Net assets per share is calculated based on the Group's total number of issued shares as at the end of the respective financial reporting period of 88,236,002.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	<i>Non-distributable</i>		<i>Distributable</i>	
	Share Capital	Merger Reserve	Retained Profits	Total Equity
	RM'000	RM'000	RM'000	RM'000
<u>Unaudited financial year ended 30 June 2024</u> ⁽¹⁾				
At 1 July 2023	8,382	(4,800)	21,309	24,891
Total comprehensive income for the financial year	-	-	4,898	4,898
Dividend paid	-	-	(441)	(441)
At 30 June 2024	8,382	(4,800)	25,766	29,348
<u>Audited financial year ended 30 June 2023</u>				
At 1 July 2022	8,382	(4,800)	15,770	19,352
Total comprehensive income for the financial year	-	-	6,862	6,862
Dividend paid	-	-	(1,323)	(1,323)
At 30 June 2023	8,382	(4,800)	21,309	24,891

Note:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited consolidated financial statements of the Group for the FYE 30 June 2023 and the accompanying explanatory notes attached to this unaudited condensed consolidated financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	12 MONTHS ENDED	
	30.06.2024 ⁽¹⁾	30.06.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,422	9,128
Adjustments for:		
Allowance for impairment loss in trade receivables	-	622
Allowance for inventory obsolescence	-	70
Depreciation of investment properties	15	15
Depreciation of property, plant and equipment	529	486
Depreciation of right-of-use assets	126	94
Expenses relating to short-term leases	101	40
Gain on disposal of property, plant and equipment	(10)	-
Gain on remeasurement of right-of-use assets	(1)	-
Interest expenses	264	256
Interest on lease liabilities	7	3
Interest income	(295)	(282)
Inventories written-off	-	99
Unrealised gain on foreign exchange	(21)	(171)
Operating profit before working capital changes	<u>7,137</u>	<u>10,360</u>
Inventories	558	(115)
Receivables	(1,913)	1,419
Contract assets	(3,309)	(297)
Payables	(678)	(1,404)
Contract liabilities	(1,919)	(2,906)
Cash (used in)/generated from operations	<u>(124)</u>	<u>7,057</u>
Interest received	295	282
Interest paid	(264)	(256)
Payment of interest on lease liabilities	(7)	(3)
Short-term lease payments	(101)	(40)
Tax paid	(2,162)	(3,001)
Tax refunded	1	233
Net cash (used in)/generated from operating activities	<u>(2,362)</u>	<u>4,272</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(1,770)	(3,366)
Proceed from disposal of property, plant and equipment	10	-
Net cash used in investing activities	<u>(1,760)</u>	<u>(3,366)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Changes in a fixed deposit pledged to a licensed bank	-	27
Dividends paid	(441)	(1,323)
Drawdown of term loan	-	2,500
Repayment of term loans	(559)	(498)
Payment of lease liabilities	(122)	(97)
Net cash (used in)/generated from financing activities	<u>(1,122)</u>	<u>609</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)

	12 MONTHS ENDED	
	30.06.2024 ⁽¹⁾	30.06.2023
	RM'000	RM'000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(5,244)	1,515
Effect of changes in foreign exchange rates	38	133
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	<u>13,755</u>	<u>12,107</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u><u>8,549</u></u>	<u><u>13,755</u></u>
Cash and cash equivalents at end of the financial year comprise:		
Short-term deposits placed with licensed banks	4,283	8,352
Cash and bank balances	<u>4,266</u>	<u>5,403</u>
	<u><u>8,549</u></u>	<u><u>13,755</u></u>

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited consolidated financial statements of the Group for the FYE 30 June 2023 and the accompanying explanatory notes attached to this unaudited condensed consolidated financial report.

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PART A – EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

A1 Basis of Preparation

Polydamic Group Berhad (“**PGB**” or the “**Company**”) was incorporated in Malaysia on 17 October 2018 as a public limited company under the Companies Act 2016. The Company’s registered office is located at 3rd Floor, No. 17, Jalan Ipoh Kecil, 50350 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia. PGB was listed on the LEAP Market on 23 March 2020.

The unaudited condensed consolidated financial statements of Polydamic Group Berhad and its subsidiaries (the “**Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting.

The unaudited condensed consolidated financial statements for the 6-month FPE 30 June 2024 should be read in conjunction with the audited consolidated financial statements of the Group for the FYE 30 June 2023 and the accompanying explanatory notes attached to this unaudited condensed consolidated financial report.

A2 Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this unaudited condensed consolidated financial report are consistent with those adopted in the audited consolidated financial statements for the FYE 30 June 2023 of the Group.

The new accounting standards, amendments and improvements to published standards and interpretations that are effective and applicable for the Group’s financial year beginning on or after 1st July 2023 are as follows:

- Amendments to MFRS 101 “Disclosure of Accounting Policies”;
- Amendments to MFRS 108 “Definition of Accounting Estimates”;
- Amendments to MFRS 112 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”; and
- Amendments to MFRS 112 “International Tax Reform - Pillar Two Model Rules”.

The adoption of amendments listed above did not have any impact on the current financial year or any prior financial year and is not likely to affect future financial years.

The following are MFRSs and amendments to MFRSs that have been issued by Malaysian Accounting Standards Board (“**MASB**”) but are not yet effective and have not been adopted by the Group:

Amendments to MFRSs	Effective Dates
Amendments to:	
- MFRS 7 and Supplier Finance Arrangements MFRS 107	1st January 2024
- MFRS 16 Lease Liability in a Sale and Leaseback	1st January 2024
- MFRS 101 Classification of Liabilities as Current or Non-current	1st January 2024
- MFRS 101 Non-current Liabilities with Covenants	1st January 2024
- MFRS 121 Lack of Exchangeability	1st January 2025

PART A – EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)

A2 Significant Accounting Policies (Cont'd)

The following are MFRSs and amendments to MFRSs that have been issued by Malaysian Accounting Standards Board (“**MASB**”) but are not yet effective and have not been adopted by the Group (Cont'd):

Amendments to MFRSs (Cont'd)		Effective Dates
Amendments to (Cont'd):		
- MFRS 7 and MFRS 9	Amendments to the Classification and Measurement of Financial Instruments	1st January 2026
- MFRS 18	Presentation and Disclosure in Financial Statements	1st January 2027

It is anticipated that the adoption of the abovementioned Standards and amendments will not have significant impact on the financial statements of the Group.

A3 Auditors' Report

There was no qualification on the Group's audited consolidated financial statements for the financial year ended 30 June 2023.

A4 Seasonal and Cyclical Factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the financial period under review.

A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the financial period under review.

A6 Material Changes in Estimates

There were no material changes in estimates that would have a material effect on the financial results for the financial period under review.

PART A – EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)

A7 Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the financial period under review.

A8 Dividend Paid

No dividend was declared and paid during the financial period under review.

A9 Segmental Reporting

The Group is principally engaged in the provision of air pollution control solutions. Through its subsidiaries, the Group is primarily involved in:

- (i) designing, manufacturing, installation and commissioning of air pollution control systems;
- (ii) manufacturing and sales of air pollution control products and other related environmental engineering products; and
- (iii) provision of air pollution control services comprising technical consultation and maintenance services.

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PART A – EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)

A9 Segmental Reporting (Cont'd)

The reportable segments are summarised as follows:

- (i) Analysis of Revenue Breakdown by Product/Service Categories

	INDIVIDUAL 6 MONTHS ENDED				CUMULATIVE 12 MONTHS ENDED			
	30.06.2024		30.06.2023		30.06.2024		30.06.2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Air pollution control systems	5,484	46.6	6,115	47.4	11,019	50.3	14,846	52.3
Air pollution control products and other related environmental engineering products	4,106	34.8	5,772	44.8	7,382	33.7	10,926	38.4
Technical consultation and maintenance services	2,185	18.6	1,011	7.8	3,502	16.0	2,632	9.3
Total revenue	11,775	100.0	12,898	100.0	21,903	100.0	28,404	100.0

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PART A – EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)

A9 Segmental Reporting (Cont'd)

The reportable segments are summarised as follows (Cont'd):

(ii) Analysis of Revenue Breakdown by Geographical Locations

	INDIVIDUAL 6 MONTHS ENDED				CUMULATIVE 12 MONTHS ENDED			
	30.06.2024		30.06.2023		30.06.2024		30.06.2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<u>Local Revenue</u>								
Malaysia	10,439	88.8	11,769	91.2	18,548	84.8	23,590	83.0
Total local revenue	10,439	88.8	11,769	91.2	18,548	84.8	23,590	83.0
<u>Overseas Revenue</u>								
United States of America ("USA")	-	-	-	-	-	-	189	0.7
Vietnam	-	-	852	6.6	845	3.8	3,558	12.5
Singapore	471	4.0	145	1.1	1,170	5.3	898	3.2
Indonesia	502	4.2	7	0.1	502	2.3	18	0.1
China	-	-	-	-	-	-	-	-
Australia	-	-	117	0.9	-	-	117	0.4
Saudi Arabia	152	1.3	-	-	503	2.3	1	-
Denmark	203	1.6	-	-	203	0.9	-	-
Others ⁽¹⁾	8	0.1	8	0.1	132	0.6	33	0.1
Total overseas revenue	1,336	11.2	1,129	8.8	3,355	15.2	4,814	17.0
Total revenue	11,775	100.0	12,898	100.0	21,903	100.0	28,404	100.0

⁽¹⁾ Others comprise countries such as United Arab Emirates ("UAE"), Philippines, Ecuador and India.

PART A – EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)

A10 Profit Before Taxation

Profit before taxation is arrived at after charging/(crediting):-

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
- current year	31	27	61	54
- under provision in prior year	-	-	7	7
Allowance for impairment loss on trade receivables	-	622	-	622
Allowance for inventory obsolescence	-	70	-	70
Depreciation of property, plant and equipment	267	282	529	486
Depreciation of investment properties	7	7	15	15
Depreciation of right-of-use assets	71	46	126	94
Directors' fees	15	15	30	30
Directors' remuneration:				
- Salaries, bonuses and allowances	450	470	838	924
- Employees' Provident Fund	76	75	154	166
- Other emoluments	6	12	12	18
Gain on disposal of property, plant and equipment	(10)	-	(10)	-
Gain on remeasurement of right-of-use assets	(1)	-	(1)	-
(Gain)/Loss on foreign exchange:				
- Realised	(17)	265	(39)	35
- Unrealised	(37)	(452)	(21)	(171)
Interest expenses	132	137	271	259
Interest income	(133)	(173)	(295)	(282)
Inventories written-off	-	99	-	99
Listing expenses	3	3	5	5

PART A – EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)

A10 Profit Before Taxation (Cont'd)

Profit before taxation is arrived at after charging/(crediting) (Cont'd):-

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Rental income	(26)	(24)	(53)	(48)
Staff costs:				
- Salaries, bonuses and allowances	2,483	2,680	5,142	5,282
- Employees' Provident Fund	162	148	350	352
- Other employee benefits	175	157	338	272

A11 Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment during the financial period under review.

A12 Material Events after the End of the Reporting Period

Save for Section C2, there were no material events subsequent to the end of the financial period under review.

A13 Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets as at the date of this unaudited condensed consolidated financial report.

PART A – EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)

A14 Capital Commitment

There was no material capital commitment as at the date of this unaudited condensed consolidated financial report.

A15 Significant Related Party Transactions

There were no significant related party transactions during the financial period under review.

A16 Financial Liabilities

The Group has not entered into any derivatives and do not have any financial liabilities arising from it.

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PART B – ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (“LISTING REQUIREMENTS”)

B1 Review of Performance

Comparison between current 6 months financial period (“2H FYE 2024”) and the preceding year 6 months financial period (“2H FYE 2023”)

The Group’s revenue for 2H FYE 2024 declined by RM1.12 million or 8.7% from RM12.90 million reported for 2H FYE 2023 to RM11.78 million.

The lower revenue for 2H FYE 2024 was primarily resulted from the decline in segmental revenue generated from air pollution control products and other related environmental engineering products which decreased by RM1.66 million or 28.8% compared to RM5.77 million recorded for 2H FYE 2023. The decrease in revenue from the segment of air pollution control products and other related environmental engineering products was affected by the lower commercial momentum in new business venture in the relevant industries as well as the slowdown of global market growth in 2H FYE 2024.

On the other hand, the revenue from technical consultation and maintenance services segment increased by RM1.18 million or 116.8% from RM1.01 million in 2H FYE 2023 to RM2.19 million in 2H FYE 2024 while the air pollution control systems segment contributed a RM0.64 million or 10.5% lower revenue in 2H FYE 2024 compared to RM6.12 million in 2H FYE 2023.

In spite of revenue drop, a slight increase of RM0.71 million or 19.4% in profit before tax (“PBT”) for 2H FYE 2024 compared to 2H FYE 2023 was noted with a corresponding increase of RM0.76 million or 30.3% in profit after taxation (“PAT”) due to the realisation of the Group’s undertaken cost saving initiatives as well as the completion of certain projects given better profitability in the 2H FYE 2024.

Comparison between current 12 months financial year (“FYE 2024”) and the preceding year 12 months financial year (“FYE 2023”)

For FYE 2024, the Group reported a RM6.5 million or 22.9% decline in revenue from RM28.4 million in last financial year to RM21.9 million reported for current financial year. Despite the downtrend of global economy, air pollution control systems segment has continued to be the main revenue contributor which contributed 50.3% of the Group’s revenue as compared to 52.3% in FYE 2023 despite the contracted weightage.

The Group’s revenue from this segment dropped by RM3.83 million or 25.8% from RM14.85 million of FYE 2023 to RM11.02 million of FYE 2024. By geographical regions, local customers contributed 84.8% of the Group’s revenue for FYE 2024 as compared to 83% of the Group’s revenue for FYE 2023. The overseas revenue for FYE 2024 was contributed mainly by foreign customers from Vietnam, Singapore, Indonesia and Saudi Arabia.

As a consequence of revenue drop, the group’s PBT for FYE 2024 decreased by RM2.71 million or 29.7% to RM6.42 million from RM9.13 million achieved in FYE 2023 whereas the Group’s PAT was compressed by RM1.96 million or 28.6% to RM4.90 million from RM6.86 million reported for FYE 2023.

PART B – ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (“LISTING REQUIREMENTS”) (CONT’D)

B2 Commentary on Prospect

Although the soaring world oil and gas prices had benefited Malaysian energy exports in recent years, the Malaysian economy has been forecasted to grow moderately in given considerable challenges from downtrend of global growth and slowdown of merchandise exports. With many low and middle-income countries experiencing high inflation of beyond 5%, it is notable that domestic food price inflation remains high globally. In Malaysia, the rising food and utility prices have also contributed to the uptrend in national inflation.

Therefore, the first half of 2024 remained challenging for Malaysia and the global economy since the Russia-Ukraine war has contributed a lasting impact to volatile and upraised commodity and energy prices, which compounded food shortages and stoked inflation in numerous regions across the world.

Notwithstanding the global challenges and macroeconomic issues which may potentially affect the corporates with increased challenging business environment owing to the widespread inflationary pressure and elevated tension on input costs, the Group has continued its efforts in growing the business by gaining market penetration from Klang Valley and Southern region of Peninsular Malaysia. During the financial period under review, the Group had also acquired new machines as well as increasing manpower to support the operational needs from different functions.

Premised on the above and barring unforeseen circumstances, the Board of Directors of the Company expects the Group’s financial performance for the current financial year to be satisfactory.

B3 Profit Forecast, Profit Guarantee and Internal Targets

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

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PART C – OTHER INFORMATION

C1 Status of Corporate Proposal

There was no corporate proposal announced but pending completion as at the date of this unaudited condensed consolidated financial report.

C2 Material Litigation

Save for the following, there was no material litigation involving the Group as at the date of this unaudited condensed consolidated financial report.

In the matter of Penang High Court, Civil Suit No.: PA-22NCC-50-07/2023 (“the Suit”)

Plaintiff: Polydamic Sdn Bhd (“Plaintiff”)
Defendant: 1. Aspen Glove Sdn Bhd (“1st Defendant”)
2. Aspen Vision Group Sdn Bhd (“2nd Defendant”)
3. Aspen Vision City Sdn Bhd (“3rd Defendant”)
(Collectively known as “Defendants” or “Aspen Group”)

Polydamic Sdn Bhd (“PSB”), a wholly-owned subsidiary of the Company initiated legal proceedings against Aspen Glove Sdn Bhd (“AGSB”), Aspen Vision Group Sdn Bhd (“AVG”) and Aspen Vision City Sdn Bhd (“AVC”) by filing to Penang High Court a Writ of Summon and a Statement of Claim dated 24 July 2023 for pursuing an outstanding debt by claiming, *inter alia*, as follows that:

- (i) Principal Sum
 - (a) 1st Defendant pays a sum of the original outstanding amount to Plaintiff immediately;
Alternatively
 - (b) Defendants shall jointly and severally pay a sum of the mutually agreed settlement amount to Plaintiff immediately;
Alternatively
 - (c) 2nd and/or 3rd Defendant shall transfer the 2 commercial property units developed by 2nd and/or 3rd Defendant (“the mutually agreed Properties”) to Plaintiff. If both units have been transferred to third party, other unit which is “free from encumbrances” and equivalent to the sum of mutually agreed settlement amount based on the valuation report by the licensed valuer appointed by Plaintiff shall be transferred to Plaintiff within 30 days from the date of judgment;
- (ii) Interests; and
- (iii) Costs

Current status of the said Suit:

The Honorable Court has fixed 9 September 2024 as Case Management for parties to file pre-trial documentation for claim against the 2nd and 3rd Defendants.

Meanwhile, the hearing for leave against 1st Defendant has been fixed on 8 October 2024.

PART C – OTHER INFORMATION (CONT'D)

C2 Material Litigation (Cont'd)

Founded on the latest case development as well as all the available facts and circumstances arising to date, the Management has assessed and considered the necessary. To the best of their knowledge, the Management is of the opinion that the Suit is not expected to have significant impacts on the Group's financial statements and operational processes as a whole.

C3 Dividend

The Board declared first interim dividend of RM0.0045 per share in respect of the financial year ended 30 June 2024. The first interim dividend amounting to RM397,062 (based on 88,236,002 units of the Group's ordinary shares) will be paid on 26 September 2024.

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