



SNOWFIT GROUP BERHAD

(Registration No. 202101026487 (1426787-K))

(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE HALF-YEAR
ENDED 30 NOVEMBER 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 SNOWFIT GROUP BERHAD (“SNOWFIT” OR THE “COMPANY”). 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.

SNOWFIT GROUP BERHAD
(Registration No. 202101026487 (1426787-K))

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

	Unaudited As at 30/11/2024 RM'000	Audited As at 31/5/2024 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	6,320	6,450
Right-of-use assets	2,019	2,161
Total non-current assets	8,339	8,611
Current assets		
Inventories	2,516	4,027
Trade receivables	3,292	3,362
Other receivables	1,735	4,078
Fixed deposits from licensed bank	791	791
Cash and cash equivalents	869	549
Total current assets	9,203	12,807
Total assets	17,542	21,418
<u>LIABILITIES AND EQUITY</u>		
Equity		
Share capital	4,432	4,432
Retained earnings/(Accumulated losses)	(545)	(845)
Total equity	3,887	3,587
Non-current liabilities		
Term loans	6,389	7,494
Finance lease liabilities	568	482
Lease liabilities	1,416	1,230
Deferred tax liabilities	134	134
Total non-current liabilities	8,507	9,340

SNOWFIT GROUP BERHAD
(Registration No. 202101026487 (1426787-K))

	Unaudited	Audited
	As at 30/11/2024	As at 31/5/2024
	RM'000	RM'000
Current liabilities		
Trade payables	1,464	167
Other payables and accruals	30	794
Bankers' acceptances	1,980	5,060
Bank overdraft	421	421
Finance lease liabilities	174	349
Lease liabilities	189	375
Term loans	531	1,061
Current tax liabilities	359	264
Total current liabilities	5,148	8,491
Total liabilities	13,655	17,831
Total liabilities and equity	17,542	21,418
Net assets per share (sen)⁽²⁾	1.84	1.70

Notes:

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are detailed in Note A1 and should be read in conjunction with the Audited Consolidated Financial Statements of the Company for the financial year ended 31 May 2024 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Net assets per share is calculated based on the Company's total number of issued shares of 211,100,002 ordinary shares as at 31 May 2024 and 30 November 2024.*

SNOWFIT GROUP BERHAD

(Registration No. 202101026487 (1426787-K))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED (“FPE”) 30 NOVEMBER 2024⁽¹⁾

	Individual 6 months ended		Cumulative 6 months ended	
	30/11/2024	30/11/2023	30/11/2024	30/11/2023
	RM'000	RM'000	RM'000	RM'000
Revenue	15,569	14,696	15,569	14,696
Cost of sales	(7,056)	(6,473)	(7,056)	(6,473)
Gross profit	8,513	8,223	8,513	8,223
Other income	-	-	-	-
Administrative expenses	(7,254)	(6,703)	(7,254)	(6,703)
Other operating expenses	(474)	(315)	(474)	(315)
Profit from operation	785	1,205	785	1,205
Finance costs	(390)	(210)	(390)	(210)
Profit before tax	395	995	395	995
Taxation	(95)	(205)	(95)	(205)
Profit for the financial period, representing total comprehensive income for the financial period	300	790	300	790
Total comprehensive income for the financial period attributable to owners of the Company	300	790	300	790
Earnings per share (“EPS”) (sen):				
- Basic and diluted ⁽²⁾	0.14	0.37	0.14	0.37

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Audited Consolidated Financial Statements of the Company for the financial year ended 31 May 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) EPS is calculated based on the Company's weighted average number of issued shares of 211,100,002 ordinary shares for the FPE 30 November 2023 and FPE 30 November 2024. Diluted EPS is the same as the basic EPS as there were no potential dilutive instruments.

SNOWFIT GROUP BERHAD

(Registration No. 202101026487 (1426787-K))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FPE 30 NOVEMBER 2024⁽¹⁾

	Non-distributable Share capital RM'000	Distributable Retained earnings RM'000	Total RM'000
Balance as at 1 June 2023	4,432	(378)	4,054
Profit for the financial year, representing total comprehensive income for the financial year	-	790	790
Total	4,432	412	4,844
Transaction with owners, recognised directly in equity			
Dividends paid	-	-	-
Total	-	-	-
Balance as at 30 November 2023	4,432	412	4,844
Balance as at 1 June 2024	4,432	(845)	3,587
Profit for the financial period, representing total comprehensive income for the financial period	-	300	300
Total	4,432	(545)	3,887
Balance as at 30 November 2024	4,432	(545)	3,887

Note:

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Audited Consolidated Financial Statements of the Company for the financial year ended 31 May 2024 and the accompanying explanatory notes attached to this interim financial report.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FPE 30 NOVEMBER 2024⁽¹⁾

	Unaudited	Unaudited
	30/11/2024	30/11/2023
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before tax	395	995
Adjustments for:		
Depreciation of property, plant and equipment	308	314
Depreciation of right-of-use assets	792	671
Interest expense	390	37
Operating profit before working capital changes	<u>1,885</u>	<u>2,017</u>
Changes in working capital:		
Inventories	1,510	(107)
Trade receivables	70	(1,469)
Other receivables, deposits and prepayments	2,161	2,009
Trade payables	1,297	281
Other payables and accruals	(764)	(526)
Cash used in operations	<u>6,159</u>	<u>2,205</u>
Tax paid	-	(205)
Net cash used in operating activities	<u>6,159</u>	<u>2,000</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(29)	(2,704)
Purchase of right-of-use assets	-	-
Net cash used in investing activities	<u>(29)</u>	<u>(2,704)</u>
Cash Flows from Financing Activities		
Dividends paid	-	-
Drawdowns of term loans	-	1,000
Drawdowns of finance lease payables	-	-
Interest paid	(390)	(37)
Net changes in bank acceptances	(3,080)	175
Placement of fixed deposit	-	-
Repayment of term loans	(670)	(100)
Repayment of finance lease payables	(120)	(97)
Repayment of lease liabilities	(793)	(527)
Net cash from financing activities	<u>(5,053)</u>	<u>414</u>

SNOWFIT GROUP BERHAD
(Registration No. 202101026487 (1426787-K))

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FPE 30
NOVEMBER 2024⁽¹⁾ (CONT'D)**

	Unaudited 30/11/2024 RM'000	Unaudited 30/11/2023 RM'000
Net increase in cash and cash equivalents	1,077	(290)
Cash and cash equivalents at the beginning of the financial period	<u>162</u>	<u>1,078</u>
Cash and cash equivalents at the end of the financial period	<u>1,239</u>	<u>788</u>

Note:

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are detailed in Note A1 and should be read in conjunction with the Audited Consolidated Financial Statements of the Company for the financial year ended 31 May 2024 and the accompanying explanatory notes attached to this interim financial report.*

[The rest of this page is intentionally left blank]

SNOWFIT GROUP BERHAD

(Registration No. 202101026487 (1426787-K))

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 NOVEMBER 2024

A1. BASIS OF PREPARATION

The interim financial statements of Snowfit and its subsidiary (the “**Group**”) are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“**MASB**”).

This is the first interim financial report on the consolidated results for the current 6-month financial period ended 30 November 2024 announced by the Company in compliance with Rule 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 Consolidated Financial Statements of the Company for the financial year ended 31 May 2024 and the accompanying explanatory notes attached to this interim financial report.

A2. CHANGES IN ACCOUNTING POLICIES

A2.1 Adoption of new and amended standards

The Group and the Company has adopted the following MFRS and Interpretations (collectively referred to as “MFRSs”), issued by the Malaysian Accounting Standards Board (“MASB”) and effective for the financial years beginning on or after 1 January 2023:

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts
- Amendment to MFRS 17, Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101, Presentation of Financial Statements – Disclosures of Accounting Estimates
- Amendments to MFRS 101, Presentation of Financial Statements – Disclosure of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Tax – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.

A2.2 Standards issued but not yet effective MFRSs,

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

The Group and the Company has not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by Malaysian Accounting Standard Board but are not yet effective for the Company:

- Amendments to MFRS 7: Financial Instruments - Supplier Finance Arrangements
- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

SNOWFIT GROUP BERHAD

(Registration No. 202101026487 (1426787-K))

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 NOVEMBER 2024 (CONT'D)**A2.2 Standards issued but not yet effective MFRSs,**

- Amendments to MFRS 101: Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current
- Amendments to MFRS 101: Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to MFRS 107, Statement of Cash Flows - Supplier Finance Arrangements

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121: The Effect of Changes in Foreign Exchange Rates - Lack of Exchangeability

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- Amendments to MFRS 18: Presentation and Disclosure in Financial Statements
- Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

The Group and the Company will apply the above new MFRSs and amendments to MFRSs that are applicable once they become effective. The initial application of the new MFRSs and amendments to MFRSs is not expected to have any significant impact on the Group's and the Company's financial statements.

A3. SEASONAL AND CYCLICAL FACTORS

The Group did not experience any material seasonality or cyclical effects in its business operations for the current 6-month financial period under review.

A4. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current 6-month financial period under review.

A5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates in the current 6-month financial period under review.

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 NOVEMBER 2024 (CONT'D)

A6. DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current 6-month financial period under review.

A7. SEGMENTAL INFORMATION

The Group's revenue based on product segments is presented as follows:

	Individual 6 months ended				Cumulative 6 months ended			
	30/11/2024		30/11/2023		30/11/2024		30/11/2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Massage and wellness equipment	15,569	100.0	14,686	99.9	15,569	100.0	14,686	99.9
Musical instruments and accessories	-	-	10	0.1	-	-	10	0.1
Total	15,569	100.0	14,696	100.0	15,569	100.0	14,696	100.0

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT 6-MONTH FINANCIAL PERIOD

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

A9. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current 6-month financial period under review.

A10. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

A11. CAPITAL COMMITMENTS

There were no material capital commitments in respect of property, plant and equipment as at 30 November 2024.

[The rest of this page is intentionally left blank]

B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

For the current 6-month FPE 30 November 2024, the Group achieved a revenue of RM15.5 million as compared to RM14.7 million in the previous 6-month FPE 30 November 2023, representing an increase of RM0.8 million or 5.4%. The increase in revenue was mainly due to higher sales generated from the Group's showrooms.

The Group recorded profit before tax of RM0.4 million for the current 6-month FPE 30 November 2024 as compared to a profit before taxation of RM1.0 million in the previous 6-month FPE 30 November 2023, representing a decrease of RM0.6 million or 60.0%. The decline is primarily attributed to an increase in administrative expenses, in particular, higher rental costs and utilities costs as well as increase in sales personnel and operational staff cost to support the growth.

B2. COMMENTARY ON PROSPECTS

In line with our commitment to strengthening our presence in the massage and wellness, smart mattress equipment industry in Malaysia, the Group will open its next showroom in Puchong in the year 2025. To date, the Group has 11 showrooms. This strategic move is driven by data indicating significant residential developments in the area, which presents a promising opportunity for market expansion.

To further support our growth, the Group has implemented a robust plan and strategy focused on two key areas:

1. Massage and Wellness Equipment Industry in Malaysia

We are committed to enhancing the features of our products to deliver greater value to our customers. By continuously innovating and improving our offerings, we aim to stay ahead of competitors and establish a stronger foothold in the industry.

2. Smart Mattress Industry in Malaysia

Similarly, we are dedicated to advancing the features of our smart mattresses. This focus on innovation will ensure that our products stand out in the market, providing customers with superior functionality and comfort compared to alternative brands.

These initiatives are pivotal to our vision of becoming a market leader in both industries while meeting the evolving needs of our customers.

Based on the above initiatives by the management of the Group and barring any unforeseen circumstances, the Board is cautiously optimistic of the prospects of the Group.

B3. 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.

B4. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at the date of this report.

B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS (CONT'D)

B5. MATERIAL LITIGATION

There were no material litigations pending as at the date of this announcement.

B6. DIVIDENDS

There was no dividend proposed by the Board for the current 6-month financial period under review.

B7. EPS

The basic and diluted EPS for the current 6-month financial period are computed as follows:

	Individual 6 months ended		Cumulative 6 months ended	
	30/11/2024	30/11/2023	30/11/2024	30/11/2023
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	300	790	300	790
Weighted average number of ordinary shares in issue	211,100	211,100	211,100	211,100
Basic and diluted EPS (sen)	0.14	0.37	0.14	0.37

[The rest of this page is intentionally left blank]