

**THE ADMISSION OF TOTAL DYNAMIC HOLDINGS BERHAD
TO THE LEAP MARKET OF BURSA MALAYSIA WAS ADVISED BY
OUR APPROVED ADVISER, WYNCORP ADVISORY SDN. BHD.**



TOTAL DYNAMIC HOLDINGS BERHAD
(Registration No. 202201036425 (1482122-A))
(Incorporated in Malaysia under the Companies Act, 2016)

**UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6-MONTHS FINANCIAL PERIOD 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 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 TOTAL DYNAMIC HOLDINGS BERHAD ("TD HOLDINGS" OR THE "COMPANY"). 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.



CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Unaudited 30.6.2024 RM'000	Audited 31.12.2023 RM'000
ASSETS		
Non-current asset		
Property, plant and equipment	4,718	4,245
	<u>4,718</u>	<u>4,245</u>
Current assets		
Inventories	451	429
Trade receivables	3,207	3,010
Other receivables	181	392
Other investment	2	2
Tax recoverable	153	153
Fixed deposits with a licensed bank	5,500	5,000
Cash and bank balances	1,180	1,963
	<u>10,674</u>	<u>10,949</u>
Asset held for sale	1,150	1,150
	<u>11,824</u>	<u>12,099</u>
TOTAL ASSETS	<u>16,542</u>	<u>16,344</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	16,370	16,370
Merger deficit	(9,026)	(9,026)
Retained earnings	6,336	5,451
Total equity	<u>13,680</u>	<u>12,795</u>
LIABILITIES		
Non-current liabilities		
Lease liabilities	305	310
Deferred tax liabilities	575	508
	<u>880</u>	<u>818</u>
Current liabilities		
Borrowings	-	619
Lease liabilities	156	206
Trade payables	84	102
Other payables	1,473	1,641
Tax payable	269	163
	<u>1,982</u>	<u>2,731</u>
Total liabilities	<u>2,862</u>	<u>3,549</u>
TOTAL EQUITY AND LIABILITIES	<u>16,542</u>	<u>16,344</u>
Net assets per ordinary share attributable to owners of the Company ⁽²⁾ (sen)	5.47	5.12

Notes:

- (1) This Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2023 ("FYE 2023") and the accompanying explanatory notes in this interim financial report.
- (2) Net assets per share is calculated based on the 250,000,100 of ordinary shares in issue.



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

	6 months ended	
	30.06.2024 RM'000	30.06.2023 ⁽²⁾ RM'000
Revenue	6,698	N/A
Cost of sales	(2,909)	N/A
Gross profit	3,789	N/A
Other income	111	N/A
Administrative expenses	(2,478)	N/A
Profit from operations	1,422	N/A
Finance costs	(13)	N/A
Profit before taxation	1,409	N/A
Taxation	(524)	N/A
Profit after taxation	885	N/A
Other comprehensive income	-	N/A
Profit for the financial period, representing total comprehensive income for the financial period	885	N/A
Earnings per share attributable to owners of the Company:		
- Basic/Diluted EPS (sen) ⁽³⁾	0.35	N/A

Notes:

(1) *This Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited consolidated financial statements of the Company for the FYE 2023 and the accompanying explanatory notes in this interim financial report.*

(2) *No comparative figures for the corresponding period in the preceding financial year are presented as this is the Company's first interim financial report announced in compliance with the LEAP Market Listing Requirements of Bursa Securities.*

(3) *The basic and diluted earnings per share are computed based on 250,000,100 ordinary shares in issue. The diluted earnings per share of the Company is the same as the basic earnings per share as the Company does not have any convertible securities at the end of the reporting period.*

N/A *Not applicable.*

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

	Attributable to owners of the Company			Total Equity RM'000
	<i>Non-distributable</i> Share capital RM'000	Merger deficit RM'000	<i>Distributable</i> Retained earnings RM'000	
As at 1 January 2024	16,370	(9,026)	5,451	12,795
Profit for the financial period, representing total comprehensive income for the financial period	-	-	885	885
As at 30 June 2024	16,370	(9,026)	6,336	13,680

Note:

- (1) *This Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the audited consolidated financial statements of the Company for the FYE 2023 and the accompanying explanatory notes in this interim financial report.*

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

	6-month ended	
	30.06.2024	30.06.2023 ⁽²⁾
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	1,409	N/A
<u>Adjustments for:</u>		
Bad debts written off	41	N/A
Depreciation of property, plant and equipment	711	N/A
Reversal of allowance for expected credit loss of trade receivables	(33)	N/A
Gain on disposal of property, plant and equipment	(6)	N/A
Unrealised loss on foreign exchange	1	N/A
Interest expenses	13	N/A
Interest income	(44)	N/A
Property, plant and equipment written off	2	N/A
Operating profit before working capital changes	2,094	N/A
Changes in working capital:		
Inventories	(22)	N/A
Receivables	6	N/A
Payables	(187)	N/A
Cash generated from operations	1,891	N/A
Tax paid	(351)	N/A
Net cash from operating activities	1,540	N/A
Cash flows from investing activities		
Interest received	44	N/A
Acquisition of property, plant and equipment	(1,009)	N/A
Acquisition of right-of-use asset	(2)	N/A
Proceeds from disposal of property, plant and equipment	6	N/A
Net cash used in investing activities	(961)	N/A
Cash flows from financing activities		
Drawdown of term loans	2	N/A
Interest paid	(13)	N/A
Repayments of term loans	(621)	N/A
Repayments of lease liabilities	(230)	N/A
Net cash used in financing activities	(862)	N/A
Net cash decrease in cash and cash equivalents	(283)	N/A
Cash and cash equivalents at the beginning of the financial period	6,963	N/A
Cash and cash equivalents at the end of the financial period	6,680	N/A
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	1,180	N/A
Fixed deposits with a licensed bank	5,500	N/A
	6,680	N/A



Note:

- (1) *This Unaudited Consolidated Statements of Cash Flows should be read in conjunction with the audited consolidated financial statements of the Company for the FYE 2023 and the accompanying explanatory notes in this interim financial report.*
- (2) *No comparative figures for the corresponding period in the preceding financial year are presented as this is the Company's first interim financial report announced in compliance with the LEAP Market Listing Requirements of Bursa Securities.*
- N/A *Not applicable.*

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SECTION A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A1. BASIS OF PREPARATION

The interim financial report of the Company and its subsidiaries (“**Group**”) are unaudited and have been prepared under the historical cost convention method unless otherwise stated and in accordance with the requirements of MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“**MASB**”) and Rule 6.12 and Appendix 6A (Part A) of the LEAP Market Listing Requirements issued by Bursa Securities. Any discrepancies in the tables between the amounts listed and the totals in this interim report are due to rounding.

As this is the first interim financial report prepared by the Company in compliance with the LEAP Market Listing Requirements of Bursa Securities, there are no comparative figures for the corresponding period in the preceding financial year.

This interim financial report should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended 31 December 2023 and the accompanying explanatory notes in this interim financial report. The explanatory notes contained herein provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of the unaudited consolidated interim financial statements are consistent with those adopted in the most recent annual financial statements of the Company for the financial year ended 31 December 2023, except for the adoption of the following amendments to the MFRSs (“**Amendments to MFRSs**”) as disclosed below:

Effective for annual periods commencing on or after 1 January 2024

- Amendments to MFRS 16: *Lease Liability in a Sales and Leaseback*
- Amendments to MFRS 101: *Non-current Liabilities with Covenants*
- Amendments to MFRS 107 and MFRS 7: *Supplier Finance Arrangements*

The adoption of the above Amendments to MFRSs did not have any significant financial impact to the Group.

The following MFRSs and Amendments to MFRSs have been issued by the MASB but are not early adopted by the Group:

Effective for annual periods commencing on or after 1 January 2025

- Amendments to MFRS 121: *Lack of Exchangeability*

Effective for annual periods commencing on or after 1 January 2026

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

Effective for annual periods commencing on or after 1 January 2027

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

Deferred (date to be determined by MASB)

- Amendments to MFRS 10 and MFRS 128: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*



The Group is in the process of assessing the impact of implementing these MFRSs and Amendments to MFRSs, since the effects would only be observable for the future financial years.

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited financial statements of the Company and the Group for the financial year ended 31 December 2023 was not subject to any qualification.

A4. SEASONALITY OR CYCLICALITY OF OPERATION

Our Group's business operations are not subject to any significant seasonal nor cyclical trend.

A5. UNUSUAL ITEMS

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 significant changes in estimates of amounts reported in prior financial years that have a material impact on the financial period under review.

A7. DEBT AND EQUITY SECURITIES

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

A8. DIVIDEND PAID

No dividend has been paid or declared by the Group for current financial period under review, save for the following:

- (i) The Board of Directors of the Company has proposed to declare an interim single-tier dividend of 0.40 sen amounting to RM1,000,000.40 in respect of the financial year ending 31 December 2024. The dividend will be paid on 18 September 2024 to shareholders of the Company who are registered in the Record of Depositors as at 5.00 p.m. on 2 September 2024.

A9. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

There were no material events subsequent to the end of the financial period under review that have not been reflected in this interim financial report.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of our Group during the current financial period under review.

A11. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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



A12. CAPITAL COMMITMENTS

There were no capital commitments as at the date of this interim financial report.

A13. SEGMENT INFORMATION

The Group is principally involved in development and provision of integrated logistics management system and related services.

No product and services segment information are presented as the Group is viewed as a single reportable segment and all entities are operating in Malaysia.

There are no major customers with revenue equal or more than 10% of the Group's total revenue.

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SECTION B - ADDITIONAL INFORMATION PURSUANT APPENDIX 6A (PART A) OF THE LEAP MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. ANALYSIS OF PERFORMANCE

Revenue

The breakdown of the Group's revenue by principal products are as follow:

	6-months		12-months	
	30.06.2024		31.12.2023	
	RM'000	%	RM'000	%
TDT GPS fleet management solutions				
- Subscription basis	6,482	96.78	12,238	97.07
- Licensing arrangement	165	2.46	319	2.53
	6,647	99.24	12,557	99.60
Dynamic Move logistics and warehouse management solution				
- Subscription basis	51	0.76	51	0.40
Total	6,698	100.00	12,608	100.00

The breakdown of the Group's revenue by geographical markets are as follow:

	6-months		12-months	
	30.06.2024		31.12.2023	
	RM'000	%	RM'000	%
Malaysia	6,533	97.54	12,286	97.45
Indonesia	165	2.46	319	2.53
Chile	-	-	3	0.02
Total	6,698	100.00	12,608	100.00

Cost of sales

The main components of the Group's cost of sales are as follows:

	6-months		12-months	
	30.06.2024		31.12.2023	
	RM'000	%	RM'000	%
Staff related costs	1,082	37.19	2,025	37.29
Telecommunication and hardware costs ⁽¹⁾	733	25.20	1,426	26.26
Depreciation charges	561	19.29	881	16.22
Software development costs	259	8.90	510	9.39
Transportation costs	128	4.40	270	4.97
Rental expenses	45	1.55	81	1.49
Upkeep expenses	30	1.03	68	1.25
Regulatory fees	16	0.55	82	1.51
Other cost of sales	55	1.89	88	1.62
Total	2,909	100.00	5,431	100.00

Notes:

- (1) *Telecommunication charges include subscription fees payable to telecommunications service providers for use of SIM cards for cellular network connectivity services. Hardware costs include materials used in generating our revenue, including fuel level sensors, GPS antenna, nozzle, RFID reader and computer hard disc, silicone gum which are used in the installation of our GPS devices on our customers' fleet.*

Gross profit ("GP") and GP Margin

The Group's GP and GP Margin by product segment are as follows:

	6-months			12-months		
	30.06.2024			31.12.2023		
	GP RM'000	GP %	GP Margin %	GP RM'000	GP %	GP Margin %
TDT GPS fleet management solutions	3,753	99.05	56.1	7,159	99.75	56.8
Dynamic Move logistics and warehouse management solution	36	0.95	0.5	18	0.25	0.1
Total	3,789	100.00	56.6	7,177	100.00	56.9

For the 6-months financial period ended 30 June 2024 ("**FPE 2024**"), the Group's revenue of RM6.698 million was mainly derived from the subscription of the Group's TDT GPS fleet management solutions by our local customers, amounting to RM6.482 million, representing 96.78% of the Group's total revenue. This is consistent with the revenue trend for the full financial year ended 31 December 2023 ("**FYE 2023**").

For the FPE 2024, the Group's cost of sales of RM2.909 million represented 53.56% of the cost of sales of FYE 2023. The cost of sales components in FPE 2024 are consistent with FYE 2023, except for higher depreciation charges on GPS devices.

The Group's GP of RM3.789 million was contributed by TDT GPS fleet management solutions amounting to RM3.753 million and Dynamic Move logistics and warehouse management solution amounting to RM0.036 million. The GP margin for FPE 2024 of 56.6% is also consistent with the FYE 2023.

The Group achieved a profit before taxation of RM1.409 million and profit after taxation of RM0.885 million respectively in the financial period under review. The Group had recognised listing expenses amounting RM0.801 million during the financial period under review.

The effective tax rate for FPE 2024 was 37.19% is higher than effective tax rate for FYE2023 of 26.85%, mainly due to the listing expenses incurred by the Company during the financial period under review amounting to RM0.801 million which is not deducted for tax purposes.

No comparative figures for the corresponding period in the preceding financial year are presented as this is the Company's first interim financial report announced in compliance with the LEAP Market Listing Requirements of Bursa Securities.



B2. PROSPECTS

According to the Independent Market Research Report dated 27 March 2024 (“**IMR**”) issued by Providence Strategic Partners Sdn. Bhd. (“**Providence**”), the Integrated Logistics Management System (“**ILMS**”) industry are projected to rise from RM139.9 million in 2021 to RM192.0 million in 2025 at a compounded annual growth rate (“**CAGR**”) of 8.2%, supported by:-

- long term growth of commercial vehicle sales;
- growth in transportation and storage sector;
- foreign investment and domestic investment growth;
- benefits of adopting integrated asset management solutions;
- technological revolution and technological advancements; and
- supportive government initiatives and regulatory compliance requirements.

In 2023, Malaysia’s commercial vehicles sales increased to 80,571 units (FYE 2022: 78,885 units), supported by robust domestic demand. The sale of commercial vehicles is anticipated to increase in 2024 boosted by the new orders of commercial vehicles due to increasing demand as Malaysia’s economy is expected to trend higher, lifted by recovery in exports and resilient domestic expenditure as well as improving trade and logistics activities in tandem with the country’s recovery.

Overall, the future prospects of transportation and logistics sector in Malaysia is promising. The gross GDP from the transportation and storage sector rose from RM50.2 billion in 2018 to RM63.5 billion in 2023 at a CAGR of 4.8%. The growth in the transportation and storage sector and specifically the land transport sub-sector is expected to support demand for commercial vehicles and consequently demand for integrated logistics management solutions.

Moving forward, our Board of Directors believes that with a sound and experienced management team and our proprietary ILMS solutions, the Group is well positioned to tap into the expected growth of the ILMS industry in Malaysia.

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SECTION C - OTHER INFORMATION

C1. STATUS OF CORPORATE PROPOSAL

As mentioned in Section 2.5.5 of the Information Memorandum dated 29 March 2024 issued by the Company, the Company had entered into a conditional Sale and Purchase Agreement dated 30 November 2023 for the proposed disposal of a 3-storey terrace shop office bearing postal address at No. 178, Jalan S2 B3, Seremban 2, 70300 Seremban, Negeri Sembilan, held under Title No. GRN 88590, Lot 21737, Mukim Rasah, Seremban, Negeri Sembilan (“**Property No. 178**”) owned by Total Dynamic Technology Holding Sdn. Bhd. (“**TD Technology**”), a wholly-owned subsidiary of the Company to Mr. Wong Chew Fong, the Executive Chairman and major shareholder of the Company, for a cash consideration of RM1.15 million (“**Disposal**”). The Disposal has been deemed completed on 1 August 2024 and the registration of the transfer of that Property No. 178 has been completed on 15 August 2024.

The Group will continue to occupy the Property No. 178 via a tenancy agreement entered into by TD Technology with Mr. Wong Chew Fong at a monthly rental of RM4,000.00 for a period of 3 years from 1 August 2024 to 31 July 2027, with an option to renew for further 3 years upon expiry of the first term subject to the terms and conditions to be mutually agreed by the parties.

Save for the above, there is no other corporate proposal announced by the Company but pending completion as at the date of this interim financial report.

C2. UTILISATION OF PROCEEDS

The status of the utilisation of gross proceeds of approximately RM5.01 million from the Special Issue and Private Placement is as follows:

Purpose	Proposed utilisation RM'000	Utilised as at 22.08.2024 RM'000	Balance unutilised RM'000	Estimate timeframe for utilisation ⁽¹⁾
(i) Strengthening our IT capabilities	1,548	(292)	1,256	24 months
(ii) Expending our sales and marketing activities	1,604	(126)	1,478	24 months
(iii) Financing our working capital of our Group	858	(762)	96	24 months
(vi) Defraying the listing expenses	1,000	(1,000)	-	-
Total	5,010	(2,180)	2,830	

Note:

(1) The estimated timeframe for utilization of the proceeds is based on the period from the date of completion of the Special Issue and Private Placement on 24 November 2023.

C3. MATERIAL LITIGATION

There was no material litigation pending as at the date of this interim financial report.

AUTHORISATION FOR ISSUANCE

This interim financial report has been authorised for issuance by the Board of Directors of the Company on 22 August 2024.