



## **EPB GROUP BERHAD**

Registration No.: 202201007128 (1452825-U)  
(Incorporated in Malaysia under the Companies Act, 2016)

### **INTERIM FINANCIAL REPORT**

**FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

# EPB GROUP BERHAD

Registration No.: 202201007128 (1452825-U)  
(Incorporated in Malaysia under the Companies Act, 2016)

## CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)<sup>(1)</sup>

|  | Note | Individual quarter                        |  | Cumulative period                                |   |
|--|------|---|--|--|---|
|  |      | Current quarter ended 30-Jun-24<br>RM'000 | Comparative quarter ended 30-Jun-23 <sup>(2)</sup><br>RM'000 | Current period-to-date ended 30-Jun-24<br>RM'000 | Comparative period-to-date ended 30-Jun-23 <sup>(2)</sup><br>RM'000 |
| Revenue  | A12  | 21,125                                    | N/A  | 39,213   | N/A   |
| Cost of sale   |      | (14,041)                                  | N/A  | (26,318)   | N/A   |
| <b>Gross profit ("GP")</b>   |      | <b>7,084</b>                              | <b>N/A</b>   | <b>12,895</b>                                    | <b>N/A</b>  |
| Other income   |      | 1,423                                     | N/A  | 2,363  | N/A   |
| Selling and distribution costs   |      | (2,567)                                   | N/A  | (4,470)  | N/A   |
| Administrative and other expenses  |      | (2,425)                                   | N/A  | (5,349)  | N/A   |
| Finance costs  |      | (65)                                      | N/A  | (156)  | N/A   |
| <b>Profit before taxation ("PBT")</b>  | B11  | <b>3,450</b>                              | <b>N/A</b>   | <b>5,283</b>                                     | <b>N/A</b>  |
| Taxation   | B5   | (877)                                     | N/A  | (1,422)  | N/A   |
| <b>Profit for the financial period attributable to owners of the Company ("PAT")</b>             |      | <b>2,573</b>                              | <b>N/A</b>   | <b>3,861</b>                                     | <b>N/A</b>  |
| Other comprehensive (loss)/income  |      | (6)                                       | N/A  | 458  | N/A   |
| <b>Total comprehensive income for the financial period attributable to owners of the Company</b> |      | <b>2,567</b>                              | <b>N/A</b>   | <b>4,319</b>                                     | <b>N/A</b>  |
| <b>Earnings per share ("EPS") attributable to equity holders of the Company: -</b>               | B9   |   |  |  |   |
| Basic EPS <sup>(3)</sup> (sen)   |      | 0.86                                      | N/A  | 1.29   | N/A   |
| Diluted EPS <sup>(4)</sup> (sen)   |      | 0.69                                      | N/A  | 1.04   | N/A   |

### Notes: -

- (1) The basis of preparation of the Unaudited Consolidated Statements of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Prospectus of EPB Group Berhad ("**Company**") dated 27 June 2024 ("**Prospectus**"), the Accountants' Report disclosed therein, and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 30 June 2024 is the second interim financial report issued and announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**").

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## CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)<sup>(1)</sup>

Notes (cont'd): -

- (3) Basic EPS is computed based on PAT divided by the issued share capital of 300,430,002 ordinary shares before the completion of the initial public offering (“**IPO**”) of the Company.
- (4) Diluted EPS is computed based on the PAT divided by the enlarged issued share capital of 372,000,002 ordinary shares after the IPO.
- N/A Not applicable.

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# EPB GROUP BERHAD

Registration No.: 202201007128 (1452825-U)  
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## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)<sup>(1)</sup>

|   | As at<br>30-Jun-24<br>(unaudited)<br>RM'000 | As at<br>31-Dec-23<br>(audited)<br>RM'000 |
|---|---|---|
| <b>ASSETS</b>                                       |   |   |
| <b>Non-current Assets</b>                           |   |   |
| Property, plant and equipment                       | 10,682                                      | 11,168                                    |
| Right-of-use assets                                 | 5,226                                       | 4,967                                     |
| Intangible assets                                   | 560   | 562                                       |
|   | <u>16,468</u>                               | <u>16,697</u>                             |
| <b>Current Assets</b>                               |   |   |
| Inventories   | 12,100                                      | 13,210                                    |
| Trade receivables                                   | 10,312                                      | 10,271                                    |
| Other receivables, deposits and prepayments         | 9,367                                       | 4,532                                     |
| Tax recoverable                                     | 1,845                                       | 236                                       |
| Fixed deposits with licensed banks                  | 8,125                                       | 467                                       |
| Cash and bank balances                              | 27,336                                      | 33,845                                    |
|   | <u>69,085</u>                               | <u>62,561</u>                             |
| <b>TOTAL ASSETS</b>                                 | <b><u>85,553</u></b>                        | <b><u>79,258</u></b>                      |
| <b>EQUITY AND LIABILITIES</b>                       |   |   |
| <b>Equity Attributable to Owners of the Company</b> |   |   |
| Share capital                                       | 30,043                                      | *   |
| Merger deficit                                      | (24,491)                                    | -   |
| Invested equity <sup>#</sup>                        | -   | 5,552                                     |
| Foreign currency translation reserve                | 1,580                                       | 1,122                                     |
| Retained profits                                    | 51,898                                      | 48,037                                    |
| <b>Total Equity</b>                                 | <b><u>59,030</u></b>                        | <b><u>54,711</u></b>                      |
| <b>Non-current Liabilities</b>                      |   |   |
| Deferred tax liabilities                            | 3,103                                       | 2,499                                     |
| Bank borrowings                                     | 1,571                                       | 2,152                                     |
| Lease liabilities                                   | 508   | 425                                       |
|   | <u>5,182</u>                                | <u>5,076</u>                              |
| <b>Current Liabilities</b>                          |   |   |
| Bank borrowings                                     | 1,124                                       | 1,076                                     |
| Lease liabilities                                   | 321   | 319                                       |
| Trade payables                                      | 2,707                                       | 6,109                                     |
| Other payables, deposits and accrued liabilities    | 16,943                                      | 11,340                                    |
| Current tax liabilities                             | 246   | 627                                       |
|   | <u>21,341</u>                               | <u>19,471</u>                             |
| <b>Total Liabilities</b>                            | <b><u>26,523</u></b>                        | <b><u>24,547</u></b>                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | <b><u>85,553</u></b>                        | <b><u>79,258</u></b>                      |
| Net assets per share <sup>(2)</sup> (RM)            | 0.20  | 0.18                                      |

# EPB GROUP BERHAD

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## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)<sup>(1)</sup>

Notes: -

- (1) The basis of preparation of the Unaudited Consolidated Statements of Financial Position is disclosed in Note A1 and should be read in conjunction with the Prospectus, the Accountants' Report disclosed therein, and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is computed based on the total equity divided by the issued share capital of 300,430,002 ordinary shares before the completion of the IPO of the Company.
- \* Represents RM2.
- # Represents the aggregate of the share capital of the subsidiaries.

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## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)<sup>(1)</sup>

|   | <i>Non-Distributable</i>        |                                  |                                       | <i>Distributable</i>   |  | <b>Total equity<br/>RM'000</b> |
|---|---------------------------------|----------------------------------|---------------------------------------|--|--|--------------------------------|
|   | <b>Share capital<br/>RM'000</b> | <b>Merger deficit<br/>RM'000</b> | <b>Invested<br/>equity<br/>RM'000</b> | <b>Foreign<br/>currency<br/>translation<br/>reserve<br/>RM'000</b> | <b>Retained<br/>profits<br/>RM'000</b> |                                |
| At 1 January 2024                                   | *                               | -                                | 5,552                                 | 1,122  | 48,037                                 | 54,711                         |
| Shares issued for acquisitions of subsidiaries      | 30,043                          | (24,491)                         | (5,552)                               | -  | -                                      | -                              |
| Profit for the financial period                     | -                               | -                                | -                                     | -  | 3,861                                  | 3,861                          |
| Total comprehensive income for the financial period | -                               | -                                | -                                     | 458  | -                                      | 458                            |
| At 30 June 2024                                     | <u>30,043</u>                   | <u>(24,491)</u>                  | <u>-</u>                              | <u>1,580</u>   | <u>51,898</u>                          | <u>59,030</u>                  |

Notes: -

(1) The basis of preparation of the Unaudited Consolidated Statements of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Prospectus, the Accountants' Report disclosed therein, and the accompanying explanatory notes attached to this interim financial report.

\* Represents RM2.

There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 30 June 2024 is the second interim financial report issued and announced by the Company in compliance with the Listing Requirements.

# EPB GROUP BERHAD

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## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)<sup>(1)</sup>

|  | Current<br>period-to-<br>date ended<br>30-Jun-24<br>RM'000 | Comparative<br>period-to-<br>date ended<br>30-Jun-23 <sup>(2)</sup><br>RM'000 |
|--|--|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |  |   |
| Profit before taxation   | 5,283  | N/A   |
| Adjustments for: -   |  |   |
| Reversal of allowance for impairment loss on trade receivables - net | (1,861)  | N/A   |
| Write-down in value of inventories - net                             | 101  | N/A   |
| Depreciation of property, plant and equipment                        | 557  | N/A   |
| Depreciation of rights-of-use assets                                 | 271  | N/A   |
| Amortisation of intangible assets                                    | 5  | N/A   |
| Gain on disposal of property, plant and equipment                    | *  | N/A   |
| Interest expenses  | 156  | N/A   |
| Interest income  | (157)  | N/A   |
| Bad debt written off   | 192  | N/A   |
| Unrealised gain on foreign exchange - net                            | (123)  | N/A   |
|  | <hr/>  |   |
| Operating profit before working capital changes                      | 4,424  | N/A   |
| Decrease in inventories  | 1,009  | N/A   |
| Increase in trade and other receivables                              | (3,316)  | N/A   |
| Increase in trade and other payables                                 | 2,206  | N/A   |
|  | <hr/>  |   |
|  | 4,323  | N/A   |
| Interest paid  | (156)  | N/A   |
| Tax paid   | (2,806)  | N/A   |
| <b>Net cash generated from operating activities</b>                  | <b>1,361</b>   | <b>N/A</b>  |
|  | <hr/>  |   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |  |   |
| Acquisition of property, plant and equipment                         | (73)   | N/A   |
| Addition of right-of-use assets                                      | (230)  | N/A   |
| Proceeds from disposal of property, plant and equipment              | 2  | N/A   |
| Interest received  | 157  | N/A   |
| <b>Net cash used in investing activities</b>                         | <b>(144)</b>   | <b>N/A</b>  |
|  | <hr/>  |   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                          |  |   |
| Net repayment of term loans  | (533)  | N/A   |
| Repayment of lease liabilities                                       | (217)  | N/A   |
| <b>Net cash used in financing activities</b>                         | <b>(750)</b>   | <b>N/A</b>  |
|  | <hr/>  |   |
| Net increase in cash and cash equivalents                            | 467  | N/A   |
| Exchange difference on cash and cash equivalents                     | 682  | N/A   |
| Cash and cash equivalents at beginning of year                       | 34,312   | N/A   |
| <b>Cash and cash equivalents at end of the financial period</b>      | <b>35,461</b>  | <b>N/A</b>  |
|  | <hr/>  |   |
| Cash and cash equivalents comprise: -                                |  |   |
| Cash and bank balances   | 27,336   | N/A   |
| Fixed deposits pledged to financial institutions                     | 8,125  | N/A   |
|  | <hr/>  |   |
|  | <b>35,461</b>  | <b>N/A</b>  |
|  | <hr/>  |   |

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## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)<sup>(1)</sup>

Notes: -

(1) The basis of preparation of the Unaudited Consolidated Statements of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Prospectus, the Accountants' Report disclosed therein, and the accompanying explanatory notes attached to the interim financial report.

(2) There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 30 June 2024 is the second interim financial report issued and announced by the Company in compliance with the Listing Requirements.

\* Less than RM1,000.

N/A Not applicable.

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## EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

### A1. BASIS OF PREPARATION

The interim financial report has been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 and Appendix 9B of the Listing Requirements.

There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 30 June 2024 is the second interim financial report issued and announced by the Company in compliance with the Listing Requirements.

This interim financial report should be read in conjunction with the Prospectus, the Accountants’ Report disclosed therein, and the accompanying explanatory notes attached to this interim financial report.

The significant accounting policies and methods of computation adopted by EPB Group Berhad and its subsidiaries (“**Group**”) in this interim financial report are consistent with those adopted in preparation of the Accountants’ Report as disclosed in the Prospectus dated 27 June 2024 except for the adoption of the following MFRSs and amendments to MFRSs: -

#### **Effective for annual periods beginning on or after 1 January 2024**

- Amendments to MFRS 16 Leases – Lease Liability in a Sale 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 MFRSs and amendments to MFRSs did not have any significant financial impact to the Group upon their initial application.

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

#### **Effective for annual periods beginning on or after 1 January 2025**

- Amendments to MFRS 121– Lack of Exchangeability

#### **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

#### **Effective for annual periods beginning on or after 1 January 2027**

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

#### **Effective for annual periods beginning on or after a date to be determined by the 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 accounting standards and amendments, since the effects would only be observable for the future financial periods.

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## A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the Group's most recent annual audited financial statements for the financial year ended 31 December 2023 were not subject to any qualification.

## A3. SEASONALITY OR CYCLICALITY OF OPERATION

The business operations of the Group were not affected by any seasonal or cyclical trend during the current quarter and financial period-to-date under review.

## A4. UNUSUAL ITEMS

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

## A5. 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 current quarter and financial period-to-date under review.

## A6. DEBTS AND EQUITY SECURITIES

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

## A7. DIVIDEND PAID/DECLARED

No dividends were paid during the current quarter and financial period-to-date under review.

## A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT QUARTER AND FINANCIAL PERIOD-TO-DATE UNDER REVIEW

Save as disclosed below, there were no other material events subsequent to the end of the current quarter and financial period-to-date under review that have not been reflected in this interim financial report: -

- (a) As disclosed in Note B6(i), the Company has undertaken an IPO exercise to list 372,000,002 ordinary shares on the ACE Market of Bursa Securities ("**Listing**"). The Listing is expected to take place on 23 August 2024.

## A9. CHANGES IN THE COMPOSITION OF THE GROUP

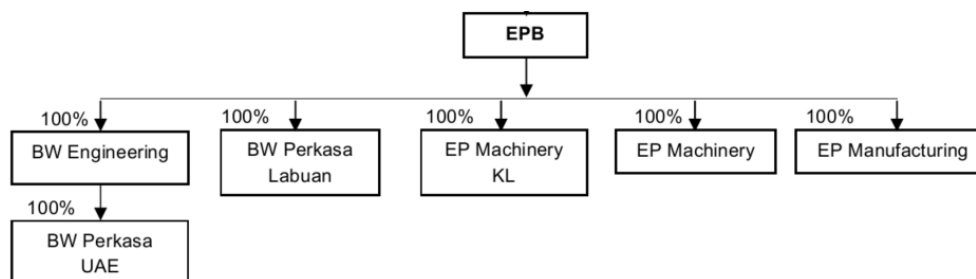
In conjunction with and as an integral part of the listing of and quotation for the entire issued share capital comprising 372,000,002 ordinary shares in the Company ("**Shares**"), EPB has entered into share sale agreements dated 9 December 2022 for the acquisitions of the entire issued share of Bestworld Engineering Sdn Bhd ("**BW Engineering**"), Bestworld Perkasa Ltd ("**BW Perkasa Labuan**"), Easy Pack Machinery Sdn Bhd ("**EP Machinery**"), Easy Pack Machinery (KL) Sdn Bhd ("**EP Machinery KL**") and Easy Pack Manufacturing (M) Sdn. Bhd. ("**EP Manufacturing**") ("**Pre-Listing Exercise**"). Total purchase consideration for the Pre-Listing Exercise amounting to RM30,043,000 to be satisfied through the issuance of 300,430,000 new Shares at an issue price of RM0.10 each. The Pre-Listing Exercise was completed on 18 April 2024.

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## A9. CHANGES IN THE COMPOSITION OF THE GROUP (cont'd)

The Group's structure, on the date of this interim report, is as follows: -



## A10. CHANGES IN CONTINGENT LIABILITIES

There are no material contingent liabilities during the current quarter and financial period-to-date under review.

## A11. MATERIAL CAPITAL COMMITMENTS

Save as disclosed below, there is no material commitment for capital expenditure, which upon becoming enforceable, may have a material effect on the Group's financial position during the current quarter and financial period-to-date under review. Capital commitments as at 30 June 2024 were as follows: -

|                             |               |
|-----------------------------|---------------|
|                             | <b>RM'000</b> |
| Approved and contracted for | 194           |

## A12. SEGMENT INFORMATION

The Group's operations consist of provision of food processing and packaging machinery solutions, trading of cellulose casings, and manufacturing and trading of flexible packaging materials, which are collectively considered as single reportable segment. Accordingly, the operating revenue and results of this segment are reflected in the Group's consolidated statements of profit or loss and other comprehensive income. The segment assets and liabilities are as presented in the Group's consolidated statements of financial position. Entity-wide disclosures as required by MFRS 8 for the current quarter and financial period-to-date under review were as follows: -

### Products and services information

|   | Individual quarter                        |  | Cumulative quarter                               |   |
|---|---|--|--|---|
|   | Current quarter ended 30-Jun-24<br>RM'000 | Comparative quarter ended 30-Jun-23 <sup>(1)</sup><br>RM'000 | Current period-to-date ended 30-Jun-24<br>RM'000 | Comparative period-to-date ended 30-Jun-23 <sup>(1)</sup><br>RM'000 |
| Revenue from: -   |   |  |  |   |
| • Food processing and packaging machinery solutions         | 15,070                                    | N/A  | 28,134   | N/A   |
| • Trading of cellulose casings                              | 3,594                                     | N/A  | 6,268  | N/A   |
| • Manufacturing and trading of flexible packaging materials | 2,461                                     | N/A  | 4,811  | N/A   |
|   | <b>21,125</b>                             | <b>N/A</b>   | <b>39,213</b>                                    | <b>N/A</b>  |

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## A12. SEGMENT INFORMATION (cont'd)

### Geographical information

In determining geographical information of the Group, "Revenue" is based on the geographical location of customers and "Non-current Assets" are based on the geographical location of the assets.

|                       | Individual quarter    |                           | Cumulative quarter           |                                  |
|-----------------------|-----------------------|---------------------------|------------------------------|----------------------------------|
|                       | Current quarter ended | Comparative quarter ended | Current period-to-date ended | Comparative period-to-date ended |
|                       | 30-Jun-24             | 30-Jun-23 <sup>(1)</sup>  | 30-Jun-24                    | 30-Jun-23 <sup>(1)</sup>         |
|                       | RM'000                | RM'000                    | RM'000                       | RM'000                           |
| Revenue from: -       |                       |                           |                              |                                  |
| • Malaysian customers | 4,215                 | N/A                       | 10,238                       | N/A                              |
| • Overseas customers  |                       |                           |                              |                                  |
| - Indonesia           | 6,889                 | N/A                       | 13,923                       | N/A                              |
| - Philippines         | 4,398                 | N/A                       | 6,874                        | N/A                              |
| - Others              | 5,623                 | N/A                       | 8,178                        | N/A                              |
|                       | <b>21,125</b>         | <b>N/A</b>                | <b>39,213</b>                | <b>N/A</b>                       |

The Group's non-current assets are all located within Malaysia for the current quarter and financial period-to-date under review.

#### Notes: -

(1) There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 30 June 2024 is the second interim financial report issued and announced by the Company in compliance with the Listing Requirements.

N/A Not applicable.

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## A13. RELATED PARTY TRANSACTIONS (“RPTs”)

|                          | Individual quarter    |                           | Cumulative quarter           |                                  |
|--------------------------|-----------------------|---------------------------|------------------------------|----------------------------------|
|                          | Current quarter ended | Comparative quarter ended | Current period-to-date ended | Comparative period-to-date ended |
|                          | 30-Jun-24             | 30-Jun-23 <sup>(1)</sup>  | 30-Jun-24                    | 30-Jun-23 <sup>(1)</sup>         |
|                          | RM'000                | RM'000                    | RM'000                       | RM'000                           |
| <u>Recurrent RPTs</u>    |                       |                           |                              |                                  |
| (i) PT Bestworld Perkasa |                       |                           |                              |                                  |
| • Marketing fees         | 113                   | N/A                       | 227                          | N/A                              |
| • Technical fees         | -                     | N/A                       | 131                          | N/A                              |
| • Sales of machinery     | 143                   | N/A                       | 143                          | N/A                              |
| (ii) Director            |                       |                           |                              |                                  |
| • Rental of premises     | 22                    | N/A                       | 45                           | N/A                              |
| <u>Other RPTs</u>        |                       |                           |                              |                                  |
| (i) PT Bestworld Perkasa |                       |                           |                              |                                  |
| • Other expenses         | 39                    | N/A                       | 69                           | N/A                              |
| • Sub-contract fees      | 1                     | N/A                       | 2                            | N/A                              |

Notes: -

(1) There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 30 June 2024 is the second interim financial report issued and announced by the Company in compliance with the Listing Requirements.

N/A Not applicable.

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## ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

### B1. REVIEW OF PERFORMANCE

Financial review for Current Quarter (Q2'24) vs Comparative Quarter (Q2'23) AND Current Period-To-Date (6 months YTD' 24) vs Comparative Period-To-Date (6 months YTD'23)

|  | Individual quarter                              |  |                    |     | Cumulative quarter<br>Comparative                       |   |                    |     |
|--|---|--|--------------------|-----|---|---|--------------------|-----|
|  | Current quarter<br>ended<br>30-Jun-24<br>RM'000 | Comparative<br>quarter ended<br>30-Jun-23 <sup>(1)</sup><br>RM'000 | Variance<br>RM'000 | %   | Current period-<br>to-date ended<br>30-Jun-24<br>RM'000 | period-to-date<br>ended<br>30-Jun-23 <sup>(1)</sup><br>RM'000 | Variance<br>RM'000 | %   |
| Revenue  | 21,125  | N/A  | N/A                | N/A | 39,213  | N/A   | N/A                | N/A |
| Gross Profit ("GP")  | 7,084   | N/A  | N/A                | N/A | 12,895  | N/A   | N/A                | N/A |
| Profit before taxation<br>("PBT")  | 3,450   | N/A  | N/A                | N/A | 5,283   | N/A   | N/A                | N/A |
| Profit for the financial<br>period attributable to<br>owners of the<br>Company ("PAT") | 2,573   | N/A  | N/A                | N/A | 3,861   | N/A   | N/A                | N/A |

The Group recorded revenue of approximately RM21.13 million and RM39.21 million for the current quarter and current period-to-date respectively. The Group's revenue for the current quarter and current period-to-date was mainly derived from provision of food processing and packaging machinery solutions business segment, accounting for approximately RM15.07 million or 71.32% and RM28.13 million or 71.74% of the Group's total revenue respectively.

The Group recorded PBT of RM3.45 million and RM5.28 million for the current quarter and current period-to-date respectively; and PAT of RM2.57 million and RM3.86 million for the current quarter and current period-to-date respectively.

Notes: -

(1) There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 30 June 2024 is the second interim financial report issued and announced by the Company in compliance with the Listing Requirements.

N/A Not applicable.

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## B2. CURRENT QUARTER (Q2'24) vs IMMEDIATELY PRECEDING QUARTER (Q1'24)

|   | 30-Jun-2024<br>RM'000 | 31-Mar-2024<br>RM'000 | Variance<br>RM'000 | Changes<br>% |
|---|-----------------------|-----------------------|--------------------|--------------|
| Revenue   | 21,125                | 18,088                | 3,037              | 16.79        |
| Gross Profit ("GP")   | 7,084                 | 5,811                 | 1,273              | 21.91        |
| Profit before taxation<br>("PBT")   | 3,450                 | 1,833                 | 1,617              | 88.22        |
| Profit for the financial period<br>attributable to owners of the<br>Company ("PAT") | 2,573                 | 1,288                 | 1,285              | 99.77        |

The Group recorded a higher revenue of approximately RM21.13 million during the current quarter ended 30 June 2024, as compared to revenue of approximately RM18.09 million recorded in the immediately preceding quarter ended 31 March 2024. This was contributed by positive growth in revenue derived from all three (3) business segments of the Group, as follows: -

- (i) increase in revenue from food processing and packaging machinery solutions business segment amounting to RM2.01 million or 15.39%, mainly due to higher delivery of customers' orders;
- (ii) increase in revenue from trading of cellulose casings business segment amounting to RM0.92 million or 34.46%, in line with higher demand from the existing customers based in Indonesia; and
- (iii) increase in revenue from manufacturing and trading of flexible packaging materials business segment amounting to RM0.11 million or 4.68%, in line with overall increase in customers' orders.

Backed by the positive growth in revenue, the Group recorded improvement in GP during the current quarter ended 30 June 2024, as compared to the immediately preceding quarter ended 31 March 2024. The Group's GP increased by RM1.27 million or 21.91% to RM7.08 million during the current quarter ended 30 June 2024, from RM5.81 million in the immediately preceding quarter ended 31 March 2024.

The Group's recorded improvement in both PBT and PAT during the current quarter ended 30 June 2024, increased by RM1.62 million or 88.22% and RM1.29 million or 99.77% respectively as compared to the immediately preceding quarter ended 31 March 2024; mainly attributable to the following factors: -

- (i) improved GP backed by the growth in revenue; and
- (ii) higher other income recorded, in line with higher reversal of allowance for impairment loss on trade receivables upon collection of the outstanding balances from the customers.

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## B3. PROSPECTS

Looking into the second half of 2024, global economic growth is expected to be at 3.2%, although this is blended with political uncertainties, especially the upcoming US presidential election. (Source: *World Economic Outlook July 2024, International Monetary Fund*) In the local context, Malaysia's economy in Quarter 1 2024 grew at a robust rate of 4.2%, compared to 2.9% in the previous quarter (Quarter 4 2023). (Source: *Economic and Financial Developments in Malaysia in the First Quarter of 2024, Bank Negara Malaysia*) The GDP forecast for Malaysia remains positive, which is expected to be maintained between 4.0% and 5.0% in 2024. (Source: *Malaysia's central bank projects 4%-5% GDP growth in 2024, Nikkei Asia*) In addition, economy of the Group's key markets, Indonesia and the Philippines, are expected to grow by 5.1% and 5.7% respectively in 2024, presenting strong opportunities for the Group. (Sources: *Indonesia Economy Projected to Remain Resilient, World Bank Group; and GDP Expands by 5.7 Percent in the First Quarter of 2024, Philippine Statistics Authority*)

The positive economic growth of the Group's key markets presents a good opportunity for the food processing machinery industry, driven by the adoption of industrial automation due to labour shortages, the diversity of food products requiring advanced processing solutions, and a rising consumer preference for convenient processed food products. In the local context, Malaysia food processing machinery industry is projected to grow at a CAGR of 10.4% from 2024 to 2028, reaching RM2.84 billion. (Source: *Independent Market Research Report of the Company's Prospectus dated 27 June 2024*)

As set out in the Prospectus, the Group intends to expand its business footprint in Penang by building a new corporate office as well as a factory building with a warehouse and a showroom with an estimated total built-up area of 70,000 square feet which will allow the Group to enhance its production capabilities, to provide additional warehousing space and to showcase its product offerings. In addition, the Group intends to ride on the industrial revolution trend and increase the integration of robotic technology within its food processing and packaging machinery solutions.

As at 31 July 2024, being the latest practicable date prior to the announcement of this interim report, the Group's order book stood at RM97.48 million; which are expected to be fulfilled and billed progressively in the second half of financial year ending ("FYE") 31 December 2024 and over the FYE 2025. The breakdown of order book by business segments are as follows: -

|   | Expected to be fulfilled and billed in |              |               |
|---|--|--------------|---------------|
|   | FYE 2024                               | FYE 2025     | Total         |
| Order book by business segment                            | RM'000                                 | RM'000       | RM'000        |
| Food processing and packaging machinery solutions         | 82,584                                 | -            | 82,584        |
| Trading of cellulose casings                              | 5,430                                  | 6,270        | 11,700        |
| Manufacturing and trading of flexible packaging materials | 2,496                                  | 697          | 3,193         |
| <b>Total</b>  | <b>90,510</b>                          | <b>6,967</b> | <b>97,477</b> |
|   |  |              |               |

The Group will continue to strategically position itself to capitalise on the anticipated growth in both global and local markets. With its forthcoming IPO, the Company aims to strengthen its market presence and leverage on the dynamic growth within the food processing and packaging machinery sector, ensuring value creation and long-term growth for its stakeholders.

Premised on the above and barring any unforeseen circumstances, the Group remains optimistic of the prospects and industry outlook of the Group's business segments, particularly the food processing and packaging machinery solutions. The Group is optimistic that the financial performance for the FYE 2024 will be positive and encouraging.



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## B4. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable, as no profit forecast or profit guarantee has been previously published or issued by the Group.

## B5. TAXATION

|   | Individual quarter                        |  | Cumulative quarter                               |   |
|---|---|--|--|---|
|   | Current quarter ended 30-Jun-24<br>RM'000 | Comparative quarter ended 30-Jun-23 <sup>(1)</sup><br>RM'000 | Current period-to-date ended 30-Jun-24<br>RM'000 | Comparative period-to-date ended 30-Jun-23 <sup>(1)</sup><br>RM'000 |
| Current tax expenses  | 542                                       | N/A  | 817  | N/A   |
| Deferred tax expenses   | 335                                       | N/A  | 605  | N/A   |
| <b>Total tax expenses</b>   | <b>877</b>                                | <b>N/A</b>   | <b>1,422</b>                                     | <b>N/A</b>  |
| Effective tax rate  | 25.42%                                    | N/A  | 26.92%   | N/A   |
| <u>Applicable statutory tax rate:</u>                             |   |  |  |   |
| Malaysia:   |   |  |  |   |
| • On the first RM150,000 of chargeable income <sup>(2)</sup>      | 15.00%                                    | N/A  | 15.00%   | N/A   |
| • On the subsequent RM450,000 of chargeable income <sup>(2)</sup> | 17.00%                                    | N/A  | 17.00%   | N/A   |
| • Balance of chargeable income <sup>(2)</sup>                     | 24.00%                                    | N/A  | 24.00%   | N/A   |
| Labuan  | 3.00%                                     | N/A  | 3.00%  | N/A   |
| United Arab Emirates <sup>(3)</sup> ("UAE")                       | 9.00%                                     | N/A  | 9.00%  | N/A   |

### Notes: -

(1) There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 30 June 2024 is the second interim financial report issued and announced by the Company in compliance with the Listing Requirements.

(2) Applicable to company with paid-up capital not more than RM2.50 million. Upon completion of the Pre-Listing Exercise, the Group will no longer enjoy this preferential tax rate, and the chargeable income will be subject to the prevailing statutory tax rate of 24.00% (or such applicable tax rate as determined and announced by the Malaysian Government) effective from year of assessment 2025.

(3) Pursuant to the amendment of paragraph 28 of Schedule 6, Income Tax Act 1967, the dividend received from BW Perkasa Ltd ("**BW Perkasa UAE**") is subject to prevailing income tax rate on remittance to Malaysia, with tax credit allowed for foreign tax charged in UAE effective from year of assessment 2024.

N/A Not applicable

The Group's effective tax rate stood at 25.42% and 26.92% for the current quarter and financial period-to-date under review respectively, higher as compared to the statutory tax rate; mainly attributable to the following: -

- (i) non-allowable expenses added back in the estimation of income tax expenses; and
- (ii) no group relief was accounted for in the estimation of income tax expenses in relation to expenses incurred by the Company.

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## B6. STATUS OF CORPORATE PROPOSALS

Saved as disclosed below, there is no corporate proposal announced but not completed as at the date of this interim financial report: -

- (i) **Listing on the ACE Market of Bursa Securities.** The Company is seeking Listing on the ACE Market of Bursa Securities. On 27 June 2024, the Company issued its Prospectus with tentative listing date on 23 August 2024. Please refer to the Prospectus, which is accessible on the website of Bursa Securities, for further details.

## B7. UTILISATION OF PROCEEDS

As at 30 June 2024, there is no proceeds raised from corporate proposal which has yet to be fully utilised.

For information purposes only, on completion of the IPO of the Company, the gross proceeds from the IPO amounting to RM40.08 million is expected to be utilised in the following manner: -

| Details of utilisation <sup>(1)(2)</sup> | RM                | %             | Estimated timeframe for utilisation from the date of the Listing |
|--|-------------------|---------------|--|
| Factory expansion: -                     |                   |               |  |
| (a) Acquisition of land                  | 13,000,000        | 32.43         | Within 12 months   |
| (b) Construction of factory              | 10,500,000        | 26.20         | Within 36 months   |
| (c) Purchase of machinery                | 1,100,000         | 2.74          | Within 36 months   |
| Repayment of bank borrowings             | 3,000,000         | 7.49          | Within 6 months  |
| Working capital                          | 8,479,200         | 21.16         | Within 12 months   |
| Estimated listing expenses               | 4,000,000         | 9.98          | Within 3 months  |
| <b>Total</b>                             | <b>40,079,200</b> | <b>100.00</b> |  |

Notes: -

- 1) The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus dated 27 June 2024.
- 2) As at the date of the interim financial report, the Listing and IPO of the Company is pending completion. As such, the gross proceeds have yet to be received and utilised by the Company.

## B8. BANK BORROWINGS

The Group's bank borrowings as at 30 June 2024 are as follows: -

|                              | Short Term<br>(within 12 months)<br>RM'000 | Long Term<br>(over 12 months)<br>RM'000 | Total<br>RM'000 |
|------------------------------|--|---|-----------------|
| Term loans:                  |  |   |                 |
| - secured and guaranteed     | 1,056                                      | 1,286                                   | 2,342           |
| - unsecured but guaranteed   | 68   | 285                                     | 353             |
| <b>Total bank borrowings</b> | <b>1,124</b>                               | <b>1,571</b>                            | <b>2,695</b>    |

All the bank borrowings are denominated in Ringgit Malaysia (RM), and obtained from financial institutions based in Malaysia.

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## B9. EARNINGS PER SHARE

### Basic and Diluted Earnings per Share ("EPS")

|  | Individual quarter              |  | Cumulative quarter                     |   |
|--|---------------------------------|--|--|---|
|  | Current quarter ended 30-Jun-24 | Comparative quarter ended 30-Jun-23 <sup>(1)</sup> | Current period-to-date ended 30-Jun-24 | Comparative period-to-date ended 30-Jun-23 <sup>(1)</sup> |
| Profit attributable to owners of the Company (RM'000)  | 2,573                           | N/A  | 3,861                                  | N/A   |
| Weighted average number of ordinary shares in issue ('000)                                     | 300,430                         | N/A  | 300,430                                | N/A   |
| <b>Basic EPS<sup>(2)</sup> (sen)</b>   | <b>0.86</b>                     | <b>N/A</b>   | <b>1.29</b>                            | <b>N/A</b>  |
| Weighted average number of ordinary shares in issue, upon completion of the IPO of the Company | 372,000                         | N/A  | 372,000                                | N/A   |
| <b>Diluted EPS<sup>(3)</sup> (sen)</b>   | <b>0.69</b>                     | <b>N/A</b>   | <b>1.04</b>                            | <b>N/A</b>  |

#### Notes: -

- (1) There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 30 June 2024 is the second interim financial report issued and announced by the Company in compliance with the Listing Requirements.
- (2) Basic EPS is computed based on profit for the financial period attributable to owners of the Company divided by the issued share capital of 300,430,002 ordinary shares before the completion of IPO of the Company.
- (3) Diluted EPS is computed based on profit for the financial period attributable to owners of the Company divided by the enlarged issued share capital of 372,000,002 ordinary shares after the IPO.

N/A Not applicable.

## B10. CHANGES IN MATERIAL LITIGATION

As at the date of this report, there is no litigation or arbitration, which has a material effect on the financial position of the Group, and the Board of Directors are not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings.

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## B11. DISCLOSURE ON SELECTED (INCOME)/EXPENSE ITEMS

Included in PBT comprised the following (income)/expense items: -

|   | Individual quarter                             |   | Cumulative period                                     |  |
|---|--|---|---|--|
|   | Current quarter ended<br>30-Jun-2024<br>RM'000 | Comparative quarter ended<br>30-Jun-2023 <sup>(1)</sup><br>RM'000 | Current period-to-date ended<br>30-Jun-2024<br>RM'000 | Comparative period-to-date ended<br>30-Jun-2023 <sup>(1)</sup><br>RM'000 |
| <b>Profit before taxation is stated after charging/(crediting): -</b> |  |   |   |  |
| Amortisation of intangible assets                                     | 3  | N/A   | 5   | N/A  |
| Bad debts written off   | 10   | N/A   | 192   | N/A  |
| Depreciation of: -  |  |   |   |  |
| • Property, plant and equipment                                       | 279  | N/A   | 557   | N/A  |
| • Rights-of-use assets  | 139  | N/A   | 271   | N/A  |
| Directors' salaries and allowances                                    | 467  | N/A   | 929   | N/A  |
| Gain on disposal of property, plant and equipment                     | *  | N/A   | *   | N/A  |
| Interest expenses   | 65   | N/A   | 156   | N/A  |
| Interest income   | (130)  | N/A   | (157)   | N/A  |
| Loss/(Gain) on foreign exchange: -                                    |  |   |   |  |
| • Realised - net  | 49   | N/A   | 28  | N/A  |
| • Unrealised - net  | 1  | N/A   | (123)   | N/A  |
| Write down of inventories - net                                       | 53   | N/A   | 101   | N/A  |
| Rental income   | (2)  | N/A   | (3)   | N/A  |
| Reversal of allowance for impairment loss on trade receivables - net  | (1,474)  | N/A   | (1,861)   | N/A  |
| Short term and low value leases: -                                    |  |   |   |  |
| • Rental of premises  | 30   | N/A   | 48  | N/A  |
| • Rental of plant and machinery                                       | 6  | N/A   | 10  | N/A  |
| • Rental of office equipment  | 2  | N/A   | 4   | N/A  |
| • Rental of motor vehicle   | -  | N/A   | *   | N/A  |

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## B11. DISCLOSURE ON SELECTED (INCOME)/EXPENSE ITEMS (cont'd)

Notes: -

(1) There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 30 June 2024 is the second interim financial report issued and announced by the Company in compliance with the Listing Requirements.

N/A Not applicable.

\* Less than RM1,000.

## B12. FINANCIAL INSTRUMENTS

### Derivatives

The Group does not have any derivative financial instruments for the current quarter and financial period-to-date under review.

### Disclosures of Gain/Losses arising from Fair Value Changes of Financial Liabilities

There were no gains/losses arising from fair value changes of the financial liabilities reported by the Group for the current quarter and financial period-to-date under review.

**By Order of the Board**

**16 August 2024**