

Registration No.: 198001009827 (63611 - U)

PBS BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

30 SEPTEMBER 2024

PBS BERHAD (Registration No.: 198001009827 (63611-U))
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Interim report for the financial period ended 30 September 2024
The figures have not been audited.

	Note	Individual Quarter 3 months ended		Cumulative Quarter Financial period ended	
		30/09/2024 RM'000	30/09/2023 RM'000	30/09/2024 RM'000	30/09/2023 RM'000
Continuing operations:					
Revenue		6,231	5,926	55,888	13,820
Other operating income		975	67	6,091	171
Expenses excluding finance costs and tax		(11,249)	(3,340)	(63,764)	(27,222)
Finance costs		(94)	(777)	(264)	(2,230)
(Loss)/Profit before tax		(4,137)	1,876	(2,049)	(15,461)
Tax expense	B1	(76)	(103)	(98)	82
(Loss)/Profit from continuing operations		(4,213)	1,773	(2,147)	(15,379)
Discontinued operations:					
Profit from discontinued operations, net of tax		-	21,208	-	67,468
(Loss)/Profit for the financial period		(4,213)	22,981	(2,147)	52,089
Other comprehensive (loss)/income: Items that may be reclassified subsequently to profit or loss: Exchange differences on translation of foreign operations		(945)	(17,817)	(901)	28,539
Other comprehensive (loss)/income for the financial period, net of tax		(945)	(17,817)	(901)	28,539
Total comprehensive (loss)/income for the financial period		(5,158)	5,164	(3,048)	80,628
Total (loss)/profit attributable to:					
Owners of the parent		(4,202)	20,822	(2,140)	49,634
Non-controlling interests		(11)	2,159	(7)	2,455
		(4,213)	22,981	(2,147)	52,089
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(4,553)	2,927	(2,043)	79,972
Non-controlling interests		(605)	2,237	(1,005)	656
		(5,158)	5,164	(3,048)	80,628
		sen	sen	sen	sen
Basic (loss)/earnings per ordinary share attributable to equity holders of the parent	B9	(0.70)	3.45	(0.35)	8.23

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

PBS BERHAD (Registration No.: 198001009827 (63611-U))
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Interim report as at 30 June 2024
The figures have not been audited.

	Note	30/09/2024 RM'000	31/12/2023 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		372	686
Investments in associates		1,362	1,362
Other financial assets		1,497	1,642
Deferred tax assets		551	598
		<u>3,782</u>	<u>4,288</u>
Current assets			
Inventories		4,128	5,593
Receivables, deposits and prepayments		46,961	56,407
Tax recoverable		222	335
Deposits, cash and bank balances		92,017	578,971
		<u>143,328</u>	<u>641,306</u>
TOTAL ASSETS		<u>147,110</u>	<u>645,594</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		187,869	640,273
Foreign currency translation reserves		(13,019)	(13,116)
Accumulated losses		(102,858)	(88,654)
Treasury shares, at cost		(5,150)	(5,150)
		<u>66,842</u>	<u>533,353</u>
Non-controlling interests		(1,085)	6,828
Total equity		<u>65,757</u>	<u>540,181</u>
Non-current liabilities			
Post-employment benefit obligations		5,682	6,270
Payables		69,422	73,665
Lease liabilities		141	197
Deferred tax liabilities		294	324
		<u>75,539</u>	<u>80,456</u>
Current liabilities			
Payables		4,118	18,740
Borrowings	B2	1,438	5,560
Lease liabilities		135	343
Current tax liabilities		123	314
		<u>5,814</u>	<u>24,957</u>
Total liabilities		<u>81,353</u>	<u>105,413</u>
TOTAL EQUITY AND LIABILITIES		<u>147,110</u>	<u>645,594</u>
Net assets per share attributable to owners of the parent (RM)		0.11	0.88

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

PBS BERHAD (Registration No.: 198001009827 (63611-U))
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Interim report for the financial period ended 30 September 2024
The figures have not been audited.

	Share Capital	Foreign currency translation reserves (non distributable)	Accumulated losses	Treasury shares, at cost	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	640,273	(13,116)	(88,654)	(5,150)	533,353	6,828	540,181
Loss for the financial period	-	-	(2,140)	-	(2,140)	(7)	(2,147)
Other comprehensive income/(loss)	-	97	-	-	97	(998)	(901)
Total comprehensive income/(loss)	-	97	(2,140)	-	(2,043)	(1,005)	(3,048)
Transaction with owners:							
Capital repayment	(452,404)	-	-	-	(452,404)	-	(452,404)
Dividends	-	-	(12,064)	-	(12,064)	-	(12,064)
Dividends paid to non-controlling interests	-	-	-	-	-	(6,908)	(6,908)
At 30 September 2024	187,869	(13,019)	(102,858)	(5,150)	66,842	(1,085)	65,757
At 1 January 2023	640,273	(79,508)	(40,295)	(5,150)	515,320	4,056	519,376
Profit for the financial period	-	-	49,634	-	49,634	2,455	52,089
Other comprehensive income/(loss)	-	30,338	-	-	30,338	(1,799)	28,539
Total comprehensive income	-	30,338	49,634	-	79,972	656	80,628
At 30 September 2023	640,273	(49,170)	9,339	(5,150)	595,292	4,712	600,004

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

PBS BERHAD (Registration No.: 198001009827 (63611-U))
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Interim report for the financial period ended 30 September 2024
The figures have not been audited.

	Financial period ended	
	30/09/2024	30/09/2023
	RM'000	RM'000
Cash Flows From Operating Activities		
Cash receipts from customers	66,342	865,723
Cash paid to suppliers and employees	<u>(72,587)</u>	<u>(757,122)</u>
	(6,245)	108,601
Interest received	3,410	4,851
Interest paid	(262)	(15,853)
Taxation paid	<u>(251)</u>	<u>(9,086)</u>
Net cash (used in)/from operating activities	<u>(3,348)</u>	<u>88,513</u>
Cash Flows From Investing Activities		
Interest paid	-	(132)
Purchase of property, plant and equipment	(7)	(7,710)
Proceeds from disposal of property, plant and equipment	4	220
Purchase of intangible assets	-	(471)
Proceeds from disposal of other financial assets	<u>-</u>	<u>250</u>
Net cash used in investing activities	<u>(3)</u>	<u>(7,843)</u>
Cash Flows From Financing Activities		
Deposits uplifted	1,007	-
Drawdowns of bank borrowings	4,641	158,336
Repayments of bank borrowings	(5,388)	(180,697)
Payments of lease liabilities	(254)	(20,874)
Capital repayment	(452,404)	-
Dividends paid	(12,064)	-
Dividends paid to non-controlling interests of a subsidiary	<u>(6,908)</u>	<u>-</u>
Net cash used in financing activities	<u>(471,370)</u>	<u>(43,235)</u>
Net (decrease)/increase in cash and cash equivalents during the financial period	(474,721)	37,435
Effects of exchange rate changes on cash and cash equivalents	(7,104)	(3,790)
Cash and cash equivalents at beginning of the financial period	<u>572,153</u>	<u>67,647</u>
Cash and cash equivalents at end of the financial period	<u><u>90,328</u></u>	<u><u>101,292</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

**A. Notes to the Interim Financial Report
For the third quarter and financial period ended 30 September 2024**

A1. Basis of Preparation

This interim financial report is based on the unaudited financial statements for the quarter ended 30 September 2024 and has been prepared in accordance with applicable disclosure provisions of paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, Interim Financial Reporting in Malaysia. They do not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements of the Group as at end of the financial year ended 31 December 2023.

A2. Significant Accounting Policies

The accounting policies applied by the Group in this interim financial report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the period ended 31 December 2023.

A3. Report of the Auditors to the Members

The report of the auditors on the annual financial statements for the financial year ended 31 December 2023 was not subject to any qualification and did not include any adverse comments made under subsection (3) of Section 266 of the Companies Act 2016.

A4. Seasonality or Cyclicity of Interim Operations

The Group's operations were not significantly affected by any seasonal or cyclical factors.

A5. Exceptional and/or Extraordinary Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no exceptional and/or extraordinary items affecting assets, liabilities, equity, net income or cash flows for the current quarter ended 30 September 2024.

A6. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior interim periods of the current financial period or prior financial years.

A7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the current quarter ended 30 September 2024.

**A. Notes to the Interim Financial Report
For the third quarter and financial period ended 30 September 2024**

A8. Dividends Paid

The Company paid a single-tier special dividend of 2 sen per ordinary share for the financial year ended 31 December 2023 on 22 April 2024.

A9. Segment Information

	Rest of World RM'000	Asia RM'000	Elimination RM'000	Group RM'000
9 months ended 30 September 2024				
External revenue	7,530	48,358	-	55,888
Intersegment revenue	-	1,445	(1,445)	-
	<u>7,530</u>	<u>49,803</u>	<u>(1,445)</u>	<u>55,888</u>
Segment result	<u>(1,031)</u>	<u>(718)</u>	<u>(36)</u>	<u>(1,785)</u>
3 months ended 30 September 2024				
External revenue	3,628	2,603	-	6,231
Intersegment revenue	-	-	-	-
	<u>3,628</u>	<u>2,603</u>	<u>-</u>	<u>6,231</u>
Segment result	<u>(256)</u>	<u>(3,787)</u>	<u>-</u>	<u>(4,043)</u>

Rest of World

Rest of World comprise sales from Greece, representing 13.5% of the Group's revenue. The inflation situation in European countries continued to restrain the purchasing power of households in the current quarter.

Asia

Asia which comprise 86.5% of the Group's revenue consist of sales generated from the companies in Asia.

The region recorded segment loss of RM3.8 million mainly due to the effects of foreign exchange on translation of Euro denominated financial assets was unfavourable in the current quarter.

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(Incorporated in Malaysia)

**A. Notes to the Interim Financial Report
For the third quarter and financial period ended 30 September 2024**

A10. Valuation of Property, Plant and Equipment

There were no valuations of property, plant and equipment during the current quarter ended 30 September 2024.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 30 September 2024.

A12. Events Subsequent to the End of the Reporting Period

There was no event subsequent to the financial period ended 30 September 2024.

A13. Contingent Liabilities

The Group has classified certain tax liabilities amounting to RM29.4 million as contingent liabilities following MFRS 137 Provisions, Contingent Liabilities and Contingent Assets as there are uncertainty in the outcome of tax rulings being challenged in the courts. The challenge has existed since 2010 for the earliest case and 2015 for a latter case involving the subsidiaries.

A14. Utilisation of Proceeds Raised From Corporate Proposals

The Company together with its subsidiary companies, namely Pelikan Holding AG and MOLKARI Vermietungsgesellschaft mbH & Co. Objekt Falkensee KG (collectively, the "Vendors"), had on 29 June 2023 entered into a conditional sale and purchase agreement ("CSPA") with Holdham SAS ("Holdham" or "Purchaser") in relation to the disposal of the entire equity interests in Pelikan Group GmbH, Pelikan PBS-Produktionsgesellschaft mbH & Co. Kg and Pelikan PBS-Produktion Verwaltungs GmbH ("Disposal").

On 13 December 2023, all CSPA have been fulfilled or waived and hence the CSPA become unconditional and completed on 14 December 2023.

A. Notes to the Interim Financial Report
For the third quarter and financial period ended 30 September 2024

A14. Utilisation of Proceeds Raised From Corporate Proposals (cont'd)

As at 14 November 2024, the status of utilisation of the proceeds from the Disposal was as follows:

Purpose	Proposed Utilisation* RM'000	Amount Transferred RM'000	Amount Utilised RM'000	Amount Unutilised RM'000
Proposed distribution	512,724	(48,257)^	(464,467)	-
Working capital and settlement of liabilities	139,712	48,257	(114,594)	73,375
Repayment of bank borrowings	40,000	-	(40,000)	-
Estimated expenses	3,000	-	(3,000)	-
Total	695,436	-	(622,061)	73,375

^ After considering the requirements of Section 131 of the Companies Act 2016 as at the date of the declaration of the proposed special dividend, the Board declared a special dividend of only 2 sen instead of 10 sen on 22 March 2024. The unutilised amount has been adjusted towards the allocation for the group's working capital.

* As per Circular to Shareholders dated 7 September 2023.

B. Additional Information Required by the Bursa Malaysia Securities Berhad's Listing Requirements

B1. Tax Expense

	3 months ended		Financial period ended	
	30/09/24	30/09/23	30/09/24	30/09/23
	RM'000	RM'000	RM'000	RM'000
Tax expense charged in respect of current financial period				
Continuing operations:				
- income tax	40	83	108	98
- deferred tax	36	20	(10)	(180)
	<u>76</u>	<u>103</u>	<u>98</u>	<u>(82)</u>
Discontinued operations:				
- income tax	-	6,554	-	20,496
- deferred tax	-	463	-	26
	<u>-</u>	<u>7,017</u>	<u>-</u>	<u>20,522</u>
Total tax expense	<u>76</u>	<u>7,120</u>	<u>98</u>	<u>20,440</u>

For the current quarter and financial period ended 30 September 2024, the effective tax rate is lower due to the utilisation of unused tax losses.

B2. Borrowings

Details of the Group's borrowings as at 30 September 2024 are as set out below:

Currency	Short Term		Total
	Secured RM'000	Unsecured RM'000	RM'000
Euro	<u>1,438</u>	-	<u>1,438</u>
Total	<u>1,438</u>	-	<u>1,438</u>

B3. Capital Commitments

There was no capital commitments not provided for in the financial statements as at 30 September 2024.

B. Additional Information Required by the Bursa Malaysia Securities Berhad’s Listing Requirements

B4. Review of Performance

The Group’s generated sales of RM6.2 million in the current quarter compared to RM5.9 million in the previous year’s corresponding quarter.

The Group recorded a loss before tax of RM4.1 million in the current quarter as opposed to a profit of RM1.9 million in the corresponding quarter last year mainly due to the unfavourable effects of foreign exchange on translation which resulted in a foreign exchange loss of RM3.7m.

B5. Variation of Results Against Preceding Quarter

	Current Quarter 30/09/24 RM’000	Immediate Preceding Quarter 30/06/24 RM’000	Changes %
Revenue	6,231	18,668	-66.6
(Loss)/Profit before interest and tax	(4,043)	807	->100.0
(Loss)/Profit before tax	(4,137)	721	->100.0
(Loss)/Profit for the financial period	<u>(4,213)</u>	<u>632</u>	->100.0

The Group’s revenue decreased to RM6.2 million in the current quarter as compared to RM18.7 million in the preceding quarter. The decrease in revenue is due to the cessation of procurement services for the former Pelikan subsidiaries on 31 May 2024. The Group recorded a loss before tax of RM4.1 million in the current quarter as opposed to a profit of RM0.7 million in the preceding quarter mainly due to the unfavourable effects of foreign exchange on translation which resulted in a foreign exchange loss of RM3.4m.

B6. Prospects

Following the completion of the Disposal, the Company is classified as an affected listed issuer under paragraph 8.03(A) of the Bursa Malaysia Listing Requirements. The Company has until 13 December 2024 to submit a regularisation plan to the relevant authorities for approval to address the Company’s affected listed issuer status. Nevertheless, the Group will continue to promote and build the remaining stationery business that it has, particularly in the Asian region, as a distributor for the “Pelikan” and “herlitz” brands. At the same time, the Group will be evaluating any other opportunities that could increase the Group’s turnover and income.

B. Additional Information Required by the Bursa Malaysia Securities Berhad's Listing Requirements

B7. Dividend

The Board of Directors does not recommend any dividend for the current quarter.

B8. Variance on Profit Forecast/Shortfall in Profit Guarantee

Not applicable.

B9. (Loss)/Earnings Per Ordinary Share

Basic (loss)/earnings per ordinary share:	3 months ended		Financial period ended	
	30/09/24	30/09/23	30/09/24	30/09/23
(Loss)/Profit attributable to owners of the parent (RM'000)	<u>(4,202)</u>	<u>20,822</u>	<u>(2,140)</u>	<u>49,634</u>
Weighted average number of ordinary shares in issue ('000)	<u>603,205</u>	<u>603,205</u>	<u>603,205</u>	<u>603,205</u>
Basic (loss)/earnings per ordinary share (sen)	<u>(0.70)</u>	<u>3.45</u>	<u>(0.35)</u>	<u>8.23</u>

B10. Additional Notes to the Statement of Comprehensive Income

	3 months ended		Financial period ended	
	30/09/24 RM'000	30/09/23 RM'000	30/09/24 RM'000	30/09/23 RM'000
(Loss)/Profit for the financial period is arrived at after charging/(crediting):				
Interest income	(837)	(2,158)	(3,410)	(4,851)
Interest expense	94	6,104	264	15,877
Depreciation, amortisation and impairment	95	7,179	287	22,835
Impairment losses on receivables	-	154	-	426
Inventories written down/(Reversal of inventories written down)	5	(341)	20	(372)
Gain on disposal of property, plant and equipment	-	(9)	-	(108)
Foreign exchange loss/(gain)	3,424	(809)	3,687	15,073