

**TECHBOND GROUP BERHAD**

201601019667 (1190604-M)  
(Incorporated in Malaysia)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023<sup>(1)</sup>**

	Individual quarter		Cumulative quarter	
	Current year quarter 30/09/2023 RM'000	Preceding year quarter 30/09/2022 RM'000	Current year- to-date 30/09/2023 RM'000	Preceding year-to-date 30/09/2022 RM'000
<b>Revenue</b>	36,384	23,393	36,384	23,393
Cost of sales	(27,391)	(18,595)	(27,391)	(18,595)
<b>Gross profit</b>	8,993	4,798	8,993	4,798
Other income	336	3,132	336	3,132
Finance income	359	174	359	174
Administration expenses	(3,359)	(2,278)	(3,359)	(2,278)
Distribution expenses	(1,540)	(907)	(1,540)	(907)
Finance cost	(256)	-	(256)	-
Other expenses	(628)	-	(628)	-
<b>Profit before tax</b>	3,905	4,919	3,905	4,919
Tax expense	(818)	(418)	(818)	(418)
<b>Profit for the period</b>	3,087	4,501	3,087	4,501
<b>Other comprehensive income, net of tax:-</b>				
<b>Item that may be reclassify subsequently to profit or loss</b>				
Foreign currency translation differences	287	524	287	524
<b>Total comprehensive income for the period</b>	3,374	5,025	3,374	5,025
Earnings per share (Note B10)				
- Basic (sen)	0.58	0.85	0.58	0.85
- Diluted (sen)	0.54	0.83	0.54	0.83

Note:-

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial report.

**TECHBOND GROUP BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023<sup>(1)</sup>**

	Unaudited As at 30/09/2023 RM'000	Audited As at 30/06/2023 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment property	12,318	12,326
Property, plant and equipment	57,309	58,610
Right-of-use assets	46,525	46,385
Other receivables	31	93
<b>Total non-current assets</b>	<b>116,183</b>	<b>117,414</b>
<b>Current assets</b>		
Inventories	33,739	38,191
Trade receivables	25,649	24,547
Other receivables	6,550	7,015
Current tax assets	841	1,118
Cash and cash equivalents	37,280	31,312
<b>Total current assets</b>	<b>104,059</b>	<b>102,183</b>
<b>TOTAL ASSETS</b>	<b>220,242</b>	<b>219,597</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity attributable to the owners of the Company:-		
Share capital	144,042	143,826
Merger deficit	(78,938)	(78,938)
Exchange translation reserve	9,758	9,471
Retained earnings	99,002	95,915
<b>Total equity</b>	<b>173,864</b>	<b>170,274</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	11,005	11,054
Other payables	-	43
Borrowings	20,105	22,811
<b>Total non-current liabilities</b>	<b>31,110</b>	<b>33,908</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023 (cont'd)<sup>(1)</sup>**

	<b>Unaudited As at 30/09/2023 RM'000</b>	<b>Audited As at 30/06/2023 RM'000</b>
<b>Current liabilities</b>		
Trade payables	7,431	9,762
Other payables	5,231	4,163
Current tax liabilities	-	5
Borrowings	2,606	1,485
<b>Total current liabilities</b>	<b>15,268</b>	<b>15,415</b>
<b>Total liabilities</b>	<b>46,378</b>	<b>49,323</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>220,242</b>	<b>219,597</b>
Net assets per share (RM) <sup>(2)</sup>	0.33	0.32

## Notes:-

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial report.
- (2) The net assets per share is calculated based on the weighted average number of shares in issue of 529,895,000 as at 30 September 2023 and 529,397,000 as at 30 June 2023.

## TECHBOND GROUP BERHAD

201601019667 (1190604-M)

(Incorporated in Malaysia)

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023<sup>(1)</sup>

	← Non-distributable →			Distributable	
	Share capital RM'000	Merger deficit RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2022	143,826	(78,938)	7,284	87,554	159,726
Profit of the financial period	-	-	-	4,501	4,501
Other comprehensive income, net of tax	-	-	524	-	524
Total comprehensive income	-	-	524	4,501	5,025
Transactions with owners:-					
Dividends to owners of the company	-	-	-	-	-
Exercise of warrants conversion	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
Balance as at 30 September 2022	143,826	(78,938)	7,808	92,055	164,751

## TECHBOND GROUP BERHAD

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023 (cont'd)<sup>(1)</sup>

	← Non-Distributable →			Distributable	
	Share capital RM'000	Merger deficits RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2023	143,826	(78,938)	9,471	95,915	170,274
Profit of the financial period	-	-	-	3,087	3,087
Other comprehensive income, net of tax	-	-	287	-	287
Total comprehensive income	-	-	287	3,087	3,374
Transactions with owners:-					
Dividends to owners of the company	-	-	-	-	-
Exercise of warrants conversion	216	-	-	-	216
Total transactions with owners	216	-	-	-	216
Balance as at 30 September 2023	144,042	(78,938)	9,758	99,002	173,864

Note:-

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023<sup>(1)</sup>**

	<b>Current year- to-date 30/09/2023 RM'000</b>	<b>Preceding year-to-date 30/09/2022 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	3,905	4,919
<b>Adjustments for:-</b>		
Amortisation of right-of-use-assets	365	51
Depreciation of investment property	8	8
Depreciation of property, plant and equipment	1,167	793
Finance cost	256	-
Fair value gain on short-term demand deposits	(77)	(163)
Interest income	(282)	(11)
Net impairment losses on trade receivables	-	(16)
Net unrealised loss/(gain) on foreign exchange	628	(2,828)
Provision for gratuity	(5)	-
Operating profit before working capital changes	5,965	2,753
Changes in working capital:-		
Inventories	4,444	9,299
Receivables	(943)	(4,628)
Payables	(1,152)	(10,918)
Cash generated from/(used in) operations	8,314	(3,494)
Tax paid	(602)	(155)
Finance income received	359	174
Net cash flows from/(used in) operating activities	8,071	(3,475)
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(275)	(549)
Net cash flows used in investing activities	(275)	(549)
<b>FINANCING ACTIVITIES</b>		
Proceeds from conversion of warrants into ordinary shares	216	-
Repayment of term loans	(1,841)	-
Net cash flows from/(used in) financing activities	(1,625)	-

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023 (cont'd)<sup>(1)</sup>**

	<b>Current year- to-date 30/09/2023 RM'000</b>	<b>Preceding year- to-date 30/09/2022 RM'000</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Net changes	6,171	(4,024)
Effect of foreign currency translation differences	(203)	153
At beginning of financial period	31,312	39,140
At end of financial period	37,280	35,269
<b>Cash and cash equivalents at the end of the financial period comprises:-</b>		
Cash and bank balances	12,667	8,797
Fixed deposits with licensed banks	14,990	-
Short-term demand deposits	9,623	26,472
	37,280	35,269

## Note:-

- (1) The Unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial report.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING****A1. Basis of preparation**

The interim financial report of the Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) (“Listing Requirements”).

This interim financial report should be read in conjunction with the Group audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to this interim financial report.

**A2. Standards issued but not yet effective**

The new and amended standards that are issued but not yet effective up to the date of issuance of the Group’s and the Company’s financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards, if applicable, when they become effective:-

**MFRSs and Amendments to MFRSs effective 1 January 2023:**

MFRS 17*# and Amendments to MFRS 17*#	Insurance Contracts and amendment to MFRS 17 Insurance Contracts
Amendments to MFRS 17*	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
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 Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112*	Income Taxes - International Tax Reform: Pillar Two Model Rules

**Amendments to MFRSs effective 1 January 2024:-**

Amendments to MFRS 16	Leases: Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements: Non-current Liabilities with Covenants
Amendments to MFRS 101	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
Amendments to MFRS 107*# and MFRS 7*#	Statement of Cash Flows: Supplier Finance Arrangements

**Amendments to MFRS effective 1 January 2025:-**

Amendments to MFRS 121*	The Effects of Changes in Foreign Rates - Lack of Exchangeability
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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (cont'd)****A2. Standards issued but not yet effective (cont'd)**Amendments to MFRSs – effective date deferred indefinitely:

MFRS 10*# and 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
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\* Not applicable to the Company's operation

# Not applicable to the Group's operation

The initial application of the above applicable standards and amendments are not expected to have any significant impacts to the financial statements.

**A3. Auditors' report**

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

**A4. Seasonal or cyclical factors**

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

**A5. Material unusual items**

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

**A6. Material changes in estimates**

There were no changes in estimates that have a material effect in the current quarter and financial period-to-date under review.

**A7. Debt and equity securities**

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities for the current quarter and financial period-to-date under review except for the issuance of 655,000 new ordinary shares pursuant to the exercise of warrants at RM0.33 per warrant. The total cash proceeds arising from the exercise of warrants during the current quarter and financial period under review amounted to RM216,150.

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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (cont'd)****A8. Dividend paid**

No dividend has been paid during the current quarter and financial period under review.

**A9. Segmental information**

The Group's operating segments are adhesives, sealants and supporting products and services. These operating segments are required to be organised and managed for the purpose of making decisions about resource allocation and performance assessment. The segmental results are as follows:-

	Individual quarter		Cumulative quarter	
	Current year quarter 30/09/2023 RM'000	Preceding year quarter 30/09/2022 RM'000	Current year- to-date 30/09/2023 RM'000	Preceding year- to-date 30/09/2022 RM'000
<b>Revenue</b>				
Adhesives and sealants	34,927	22,757	34,927	22,757
Supporting products and services	1,304	636	1,304	636
Others*	153	-	153	-
	<b>36,384</b>	<b>23,393</b>	<b>36,384</b>	<b>23,393</b>
<b>Profit before tax</b>				
Adhesives and sealants	3,741	4,727	3,741	4,727
Supporting products and services	137	192	137	192
Others*	27	-	27	-
	<b>3,905</b>	<b>4,919</b>	<b>3,905</b>	<b>4,919</b>

\* Others segments of the Group which are not of sufficient size to be reported separately.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (cont'd)**

**A10. Property, plant and equipment**

(i) Acquisitions and disposals

There were additions of property, plant and equipment during the current quarter and financial period-to-date under review.

There were no material disposals during the current quarter and financial period-to-date under review.

(ii) Impairment losses

There were no impairment losses during the current quarter and financial period-to-date under review.

(iii) Valuation

The Group has not carried out any valuation on its property, plant and equipment during the current quarter and financial period-to-date under review.

**A11. Material events subsequent to the end of the quarter**

There were no material events subsequent to the end of the current quarter and financial period-to-date under review that have not been reflected in the interim financial report.

**A12. Changes in the composition of the group**

There were no changes in the composition of the Group during the current quarter under review.

**A13. Contingent liabilities and contingent assets**

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this interim financial report.

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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (cont'd)****A14. Material capital commitments**

The capital commitments of the Group as at the end of the quarter under review were as follows:-

	<b>RM'000</b>
<b>Authorised and contracted for:-</b>	
Purchase of property, plant and equipment	7

**A15. Significant related party transactions**

Significant related party transactions in the current quarter and current period-to-date are as follows:-

	<b>Current year quarter 30/09/2023 RM'000</b>	<b>Current period- to-date 30/09/2023 RM'000</b>
Rental expenses charged by a company in which the Directors have interests	35	35
Rental income charged to a company in which the Directors have interests	(*)	(*)

\*Amount below RM1,000

**A16. Fair value of financial liabilities**

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

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS**

**B1. Review of Performance**

**(a) Comparison with the corresponding quarter in the previous financial year**

For the three-month period ended 30 September 2023 (“Current Quarter”), the Group delivered its highest-ever quarterly top-line performance. Revenue for the Current Quarter surged 55.54% year-on-year (“YoY”) to RM36.38 million versus RM23.39 million a year ago. This growth was predominantly owing to healthy orders across the markets we serve coupled with contributions from our subsidiary, Malayan Adhesives And Chemicals Sdn. Bhd. (“MAC”). In terms of revenue contribution by segment, the industrial adhesives and sealants continued to be the key revenue contributor, accounting for 96.00% or RM34.93 million of total revenue for the Current Quarter.

In tandem with the top-line performance, the Group posted its best-ever quarterly gross profit (“GP”) of RM 8.99 million for the Current Quarter. This was a jump of 87.43% YoY from RM4.8 million in the previous year corresponding quarter. GP margin for the current quarter under review also improved to 24.72% vis-à-vis 20.51% in the previous year, driven by lower raw material costs and favourable product sales mix.

Meanwhile, profit before tax (“PBT”) for the Current Quarter came in at RM3.91 million as compared to RM4.92 million a year ago. It is noteworthy to mention that the unrealised foreign exchange (“forex”) loss for the quarter under review amounted to RM0.63 million versus an unrealised forex gain of RM2.83 million last year. The unrealised forex fluctuation is a non-cash item and has no impact on our cash flow. After adjusting for the forex movement, adjusted PBT for the Current Quarter would have been RM4.54 million, a rise of 117.22% YoY from RM2.09 million in the previous year corresponding quarter.

Profit after tax and non-controlling interest (“PATNCI” or “net profit”) for the current quarter under review stood at RM3.09 million vis-à-vis RM4.50 million in the prior year. This was largely due to the aforementioned unrealised forex movements.

**B2. Comparison with Immediate preceding quarter**

	Individual quarter 3 months ended		RM'000	Changes %
	30/09/2023 RM'000	30/06/2023 RM'000		
Revenue	36,384	34,117	2,267	6.64%
Profit before tax	3,905	5,786	(1,881)	(32.51%)
Profit for the period	3,087	5,263	(2,176)	(41.35%)

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)****B2. Comparison with Immediate preceding quarter (cont'd)**

Sequentially, the Group achieved a quarter-on-quarter (“QoQ”) growth of 6.64% to RM36.38 million from RM34.12 million in the immediate preceding quarter on the back of healthy demand from customers.

On the other hand, net profit from the quarter under review came in at RM3.09 million as compared to RM5.26 million in the immediate preceding quarter resulting from lower forex gain in the Current Quarter.

**B3. Prospects**

Moving forward, we continue to be positive on the Group’s outlook while being mindful of the demanding operating environment stemming from the global economic uncertainties. Our strategic plans charted good progress and the demand from customers is on an uptrend. The Group has been actively participating in trade shows and exhibitions, which has garnered encouraging feedback and generated promising sales leads.

Separately, the implementation of new internal control measures for MAC remains ongoing. We are also refining the operations to further enhance operational efficiency. Techbond continues to harness the synergies with MAC to fully unlock the value.

As for our upstream polymerization plant in Vietnam, discussions with potential customers on the supply of polymer have advanced further. On a related note, our industrial adhesives production continues to utilize the polymer produced in-house.

On balance, the long-term prospects of the Group remain bright underpinned by the aforementioned factors supported by our solid balance sheet. The Board opines that the financial performance in the current financial year will be satisfactory, barring any unforeseen circumstances.

**B4. Profit forecast**

The Group did not issue any profit forecast in any form of public documentation and announcement.

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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)****B5. Tax expense**

	Individual quarter		Cumulative quarter	
	Current year quarter 30/09/2023 RM'000	Preceding year quarter 30/09/2022 RM'000	Current year- to-date 30/09/2023 RM'000	Preceding year- to-date 30/09/2022 RM'000
Current tax	867	475	867	475
Deferred tax	(49)	(57)	(49)	(57)
Total	<u>818</u>	<u>418</u>	<u>818</u>	<u>418</u>

The effective tax rate of the Group for the current year quarter and current year-to-date was lower than the Malaysia statutory rate of 24% due to tax exemption granted for subsidiary in Vietnam.

**B6. Status of corporate proposals**

There were no corporate proposals announced that are not completed as at the date of this interim financial report.

**B7. Borrowings**

All the Group's borrowings are short-term and long term in nature, secured and denominated in Ringgit Malaysia.

	As at 30 September 2023		
	Long-term RM'000	Short-term RM'000	Total Borrowing RM'000
<u>Secured</u>			
Denominated in RM			
Term loan	<u>20,105</u>	<u>2,606</u>	<u>22,711</u>

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)**

**B8. Material litigation**

Save as disclosed below, our Group is not involved in any material litigation, claim and/or arbitration, either as plaintiff or defendant and our Board is not aware of any proceeding, pending or threatened against our Group, or of any fact which is likely to give rise to a proceeding which might materially affect the business or financial position of our Group:-

- (i) Techbond (Vietnam) Co. Ltd ("**Techbond Vietnam**"), a wholly-owned subsidiary of our Company, had on 10 October 2019 filed a lawsuit against Innopack Vietnam Co. Ltd ("**Defendant**") at the People's Court of District 7, Ho Chi Minh City ("**Vietnam Court**"), for a sum of VND5,342,920,000 (equivalent to approximately RM945,697\*) ("**Amount Owing**"), of which VND5,170,000,000 (equivalent to approximately RM915,090\*) ("**Sales Amount**" or "**Principal**") represents the amount due and owing by the Defendant in relation to the goods sold and delivered by Techbond Vietnam to the Defendant pursuant to the sales contract dated 2 January 2019 entered into between Techbond Vietnam and the Defendant (collectively referred to as the "**Parties**") while the remaining VND172,920,000 (equivalent to approximately RM30,607\*) represents the late interest payment for the Sales Amount accumulated up to September 2019.

Subsequently, on 29 November 2019, the Parties had reached an agreement that the Amount Owing shall be paid by the Defendant in six (6) instalments as follows:-

Instalment	Period	Amount (VND'million)			Total amount equivalent to RM*
		Principal	Interest	Total	
First	20 to 30 December 2019	1,000.00	-	1,000.00	177,000
Second	20 to 29 February 2020	170.00	172.92	342.92	60,697
Third	20 to 30 March 2020	1,000.00	-	1,000.00	177,000
Fourth	20 to 30 April 2020	1,000.00	-	1,000.00	177,000
Fifth	20 to 30 May 2020	1,000.00	-	1,000.00	177,000
Sixth	20 to 30 June 2020	1,000.00	-	1,000.00	177,000
	<b>Total</b>	<b>5,170.00</b>	<b>172.92</b>	<b>5,342.92</b>	<b>945,697</b>



**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)****B8. Material litigation (cont'd)**

The Parties have also agreed that in the event the Defendant fails to pay any of the instalments as set out above, the Defendant shall pay all the outstanding amount in one lump sum payment to Techbond Vietnam. In such event, such outstanding amount will be subject to interest calculated using the rate as prescribed under Clause 2, Article 468 of the 2015 Civil Code of Vietnam from the date when Techbond Vietnam submits the request for judgment enforcement for such default until all such outstanding amount have been fully settled by the Defendant ("**Late Payment Interest**").

In addition, the court fee for this trade dispute case of VND56,671,460 (equivalent to approximately RM10,031\*) ("**Court Fee**") paid by Techbond Vietnam, shall be payable by the Defendant.

The Vietnam Court had then on 9 December 2019 issued a decision to recognise the abovementioned agreements between the Parties.

Notwithstanding the above, the Defendant has failed to settle its first instalment payment of VND1,000,000,000 (equivalent to RM177,000\*) by 30 December 2019 to Techbond Vietnam. Accordingly, Techbond Vietnam had on even date instructed its lawyers to file a request for judgement enforcement with the Vietnam Court to recover the full Amount Owing from the Defendant. The Vietnam Court had on 6 January 2020 issued a decision allowing the judgment enforcement against the Defendant ("**Decision**"). In the Decision, the Vietnam Court asserted that the Defendant is liable to pay the Amount Owing in one lump sum, the Court Fee and the Late Payment Interest to Techbond Vietnam and these amounts shall be paid by the Defendant within ten (10) days from the date of receipt of the Decision. However, the Defendant has failed to make the said payment within the stipulated timeframe.

As at 5 June 2020, Techbond Vietnam has received a total of VND 1,408,000,000 (approximately equivalent to RM 253,440) outstanding amount from the Defendant. In view that the Defendant had made several payments, the Board has decided to temporarily suspend the Decision on Judgement Enforcement dated 6 January 2020 until the outstanding amount is fully settled. The Board reserved the right to withdraw the suspension and serve the Enforcement on the Defendant in the event the Defendant default in the balance of the outstanding amount.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)**

**B8. Material litigation (cont'd)**

The Defendant had subsequently defaulted in paying the balance outstanding amount owed to Techbond Vietnam of which Techbond Vietnam had received a total of VND2,660,000,000 (approximately equivalent to RM470,820\*) from the Defendant out of the total outstanding amount of VND5,170,000,000 (approximately equivalent to RM915,090\*).

In view of the above, the Board had decided to waive the suspension and decided to enforce the Enforcement on the Defendant. Bankruptcy action has been commenced unto the Defendant following the Court session held on November 25, 2021 in Vietnam which was not attended by the representative of the Defendant.

Note:-

\* *Translated to RM based on the exchange rate of VND100 : RM0.0177, being the 5:00 p.m. middle rate as set forth in the statistical release of Bank Negara Malaysia as at 31 December 2019.*

**B9. Dividend**

The Board of Directors did not recommend any dividend for the current quarter under review.

However, the final single-tier dividend of 0.75 sen per ordinary share amounting to approximately RM3.98 million in respect of the financial year ended 30 June 2023, has been approved by the shareholders at the 7th Annual General Meeting on 29 November 2023.

The entitlement of the final single-tier dividend will be determined based on shareholders registered in the record of depositors as at 1 December 2023 and the payment date will be on 15 December 2023.

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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)****B10. Earnings per share (“EPS”)**

The basic and diluted EPS for the current quarter and financial period is computed as below:-

	Individual quarter		Cumulative quarter	
	Current year quarter 30/09/2023	Preceding year quarter 30/09/2022	Current year- to-date 30/09/2023	Preceding year-to-date 30/09/2022
Profit after tax attributable to the owners of the Company (RM'000)	3,087	4,501	3,087	4,501
Weighted average number of ordinary shares in issue ('000)	529,895	529,397	529,895	529,397
Basic EPS (sen) <sup>(1)</sup>	0.58	0.85	0.58	0.85
Diluted EPS (sen) <sup>(2)</sup>	0.54	0.83	0.54	0.83

Notes:-

- (1) Basic EPS is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the period under review.
- (2) Diluted EPS is calculated by dividing the profit attributable to owners of the company by the weighted average diluted number of ordinary shares outstanding during the period and after accounting for the effect of all dilutive potential ordinary shares arising from the exercising of outstanding warrants.

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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)****B11. Profit before tax**

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

	Individual quarter		Cumulative quarter	
	Current year quarter 30/09/2023 RM'000	Preceding year quarter 30/09/2022 RM'000	Current year- to-date 30/09/2023 RM'000	Preceding year-to-date 30/09/2022 RM'000
Amortisation of right-of-use-assets	365	51	365	51
Depreciation of investment property	8	8	8	8
Depreciation of property, plant and equipment	1,167	793	1,167	793
Fair value gain on short-term demand deposits	(77)	(163)	(77)	(163)
Finance cost	256	-	256	-
Interest income	(282)	(11)	(282)	(11)
Net realised loss/(gain) on foreign exchange	133	(104)	133	(104)
Net unrealised loss/(gain) on foreign exchange	628	(2,828)	628	(2,828)
Rental income#	(347)	(177)	(347)	(177)
Rental expenses	50	38	50	38
Net impairment loss on trade receivables	-	(16)	-	(16)

\* Amount below RM1,000

# Included in Group's revenue and other income

Save as disclosed above, the other disclosure items pursuant to Paragraph 16, Part A of Appendix 9B of the Listing Requirements are not applicable.

The Group does not have the following items for the financial period under review:-

- (i) gain or loss on disposal of quoted or unquoted investments;
- (ii) gain or loss on derivatives; and
- (iii) impairment of assets