

**TECHBOND GROUP BERHAD**

201601019667 (1190604-M)

(Incorporated in Malaysia)


**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 MARCH 2024<sup>(1)</sup>**

	Individual quarter		Cumulative quarter	
	Current year quarter 31/03/2024 RM'000	Preceding year quarter 31/03/2023 RM'000	Current year- to-date 31/03/2024 RM'000	Preceding year-to-date 31/03/2023 RM'000
<b>Revenue</b>	36,053	26,582	112,597	74,830
Cost of sales	(26,560)	(20,511)	(83,063)	(58,846)
<b>Gross profit</b>	9,493	6,071	29,534	15,984
Other income	459	606	869	861
Finance income	212	328	914	762
Gain on bargain purchase <sup>(2)</sup>	-	1,647	-	1,647
Administration expenses	(3,695)	(4,210)	(10,789)	(9,349)
Distribution expenses	(1,359)	(1,000)	(4,467)	(2,802)
Finance cost	(109)	(120)	(558)	(120)
Other expenses	(123)	(1)	(1,138)	(1)
<b>Profit before tax</b>	4,878	3,321	14,365	6,982
Tax expense	(842)	(394)	(2,893)	(1,237)
<b>Profit for the period</b>	4,036	2,927	11,472	5,745
<b>Other comprehensive income/(expense), net of tax:-</b>				
<b>Item that may be reclassify subsequently to profit or loss</b>				
Foreign currency translation differences	1,404	64	597	(2)
<b>Total comprehensive income for the period</b>	5,440	2,991	12,069	5,743
Earnings per share (Note B10)				
- Basic (sen)	0.76	0.56	2.15	1.09
- Diluted (sen)	0.70	0.52	1.98	1.03

## Notes:-

- (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.
- (2) A one-time accounting gain on bargain purchase arise when the Group acquires a business under Malaysian Financial Reporting Standards ("MRFSS") 3.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024<sup>(1)</sup>**

	Unaudited As at 31/03/2024 RM'000	Audited As at 30/06/2023 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment properties	12,303	12,326
Property, plant and equipment	56,181	58,610
Right-of-use assets	46,219	46,385
Other receivables	54	93
<b>Total non-current assets</b>	<b>114,757</b>	<b>117,414</b>
<b>Current assets</b>		
Inventories	40,147	38,191
Trade receivables	25,689	24,547
Other receivables	8,876	7,015
Current tax assets	30	1,118
Cash and cash equivalents	24,425	31,312
<b>Total current assets</b>	<b>99,167</b>	<b>102,183</b>
<b>TOTAL ASSETS</b>	<b>213,924</b>	<b>219,597</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity attributable to the owners of the Company:-		
Share capital	145,815	143,826
Merger deficit	(78,938)	(78,938)
Exchange translation reserve	10,068	9,471
Retained earnings	103,374	95,915
<b>Total equity</b>	<b>180,319</b>	<b>170,274</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	10,897	11,054
Other payables	-	43
Borrowings	6,756	22,811
<b>Total non-current liabilities</b>	<b>17,653</b>	<b>33,908</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024  
(cont'd)<sup>(1)</sup>**

	<b>Unaudited As at 31/03/2024 RM'000</b>	<b>Audited As at 30/06/2023 RM'000</b>
<b>Current liabilities</b>		
Trade payables	9,244	9,762
Other payables	4,102	4,163
Current tax liabilities	-	5
Borrowings	2,606	1,485
<b>Total current liabilities</b>	<u>15,952</u>	<u>15,415</u>
<b>Total liabilities</b>	<u>33,605</u>	<u>49,323</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>213,924</u>	<u>219,597</u>
Net assets per share (RM) <sup>(2)</sup>	0.34	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 533,489,000 as at 31 March 2024 and 529,397,000 as at 30 June 2023.

## TECHBOND GROUP BERHAD

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 MARCH 2024<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	-	-	-	5,745	5,745
Other comprehensive expense, net of tax	-	-	(2)	-	(2)
Total comprehensive (expense)/income	-	-	(2)	5,745	5,743
Transactions with owners:-					
Dividends to owners of the company	-	-	-	(2,647)	(2,647)
Exercise of warrants conversion	-	-	-	-	-
Total transactions with owners	-	-	-	(2,647)	(2,647)
Balance as at 31 March 2023	143,826	(78,938)	7,282	90,652	162,822

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 MARCH 2024 (cont'd)<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 2023	143,826	(78,938)	9,471	95,915	170,274
Profit of the financial period	-	-	-	11,472	11,472
Other comprehensive income, net of tax	-	-	597	-	597
Total comprehensive income	-	-	597	11,472	12,069
Transactions with owners:-					
Dividends to owners of the company	-	-	-	(4,013)	(4,013)
Exercise of warrants conversion	1,989	-	-	-	1,989
Total transactions with owners	1,989	-	-	(4,013)	(2,024)
Balance as at 31 March 2024	145,815	(78,938)	10,068	103,374	180,319

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 FLOWS FOR THE THIRD QUARTER ENDED 31 MARCH 2024<sup>(1)</sup>**

	<b>Current year- to-date 31/03/2024 RM'000</b>	<b>Preceding year-to-date 31/03/2023 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	14,365	6,982
<b>Adjustments for:-</b>		
Amortisation of right-of-use-assets	1,094	156
Depreciation of investment properties	23	23
Depreciation of property, plant and equipment	3,648	2,538
Finance cost	558	120
Net unrealised loss/(gain) on foreign exchange	1,137	(171)
Provision for gratuity	16	-
Fair value gain on short-term demand deposits	(223)	(507)
Gain on bargain purchase	-	(1,647)
Gain on disposal of property, plant and equipment	(13)	-
Interest income	(691)	(255)
Net impairment losses on trade receivables	-	(20)
Operating profit before working capital changes	19,914	7,219
Changes in working capital:-		
Inventories	(1,989)	12,901
Receivables	(3,216)	2,804
Payables	(1,032)	(5,525)
Cash generated from operations	13,677	17,399
Tax paid	(1,779)	(110)
Finance income received	914	762
Net cash flows from operating activities	12,812	18,051
<b>INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(51,311)
Purchase of property, plant and equipment	(1,066)	(1,132)
Net cash flows used in investing activities	(1,066)	(52,443)
<b>FINANCING ACTIVITIES</b>		
Dividend paid	(4,013)	(2,647)
Drawdown of term loan	-	28,000
Interest paid	(558)	(120)
Repayment of term loans	(14,934)	(337)
Proceeds from conversion of warrants into ordinary shares	1,989	-
Net cash flows (used in)/from financing activities	(17,516)	24,896

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 31 MARCH 2024 (cont'd)<sup>(1)</sup>**

	<b>Current year- to-date 31/03/2024 RM'000</b>	<b>Preceding year- to-date 31/03/2023 RM'000</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Net changes	(5,770)	(9,496)
Effect of foreign currency translation differences	(1,117)	50
At beginning of financial period	31,312	39,140
	<hr/>	<hr/>
At end of financial period	24,425	29,694
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial period comprises:-</b>		
Cash and bank balances	9,297	15,900
Fixed deposits with licensed banks	7,888	9,587
Short-term demand deposits	7,240	4,207
	<hr/>	<hr/>
	24,425	29,694
	<hr/>	<hr/>

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 6,028,000 new ordinary shares for the financial period-to-date pursuant to the exercise of warrants at RM0.33 per warrant. The total cash proceeds arising from the exercise of warrants during the financial period under review amounted to RM1,989,240.

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

A final single-tier interim dividend of 0.75 sen per ordinary share amounting to RM4,013,084 in respect of financial year ended 30 June 2023 has been paid on 15 December 2023.

**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 31/03/2024 RM'000	Preceding year quarter 31/03/2023 RM'000	Current year- to-date 31/03/2024 RM'000	Preceding year- to-date 31/03/2023 RM'000
<b>Revenue</b>				
Adhesives and sealants	33,638	25,294	106,246	71,307
Supporting products and services	2,259	1,288	5,887	3,523
Others*	156	-	464	-
	<u>36,053</u>	<u>26,582</u>	<u>112,597</u>	<u>74,830</u>
<b>Profit before tax</b>				
Adhesives and sealants	4,684	3,180	13,813	6,680
Supporting products and services	161	141	459	302
Others*	33	-	93	-
	<u>4,878</u>	<u>3,321</u>	<u>14,365</u>	<u>6,982</u>

\* 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:-

	RM'000
<b>Authorised and contracted for:-</b>	
Purchase of property, plant and equipment	<u>2,705</u>

**A15. Significant related party transactions**

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

	Current year quarter 31/03/2024 RM'000	Current period- to-date 31/03/2024 RM'000
Rental expenses charged by a company in which the Directors have interests	35	104
Rental income charged to a company in which the Directors have interests	<u>(*)</u>	<u>(1)</u>

\*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 31 March 2024 (“Current Quarter”), the Group posted a revenue of RM36.05 million, an increase of 35.63% year-on-year (“YoY”) from RM26.58 million in the previous year corresponding quarter. The double-digit improvement was chiefly driven by healthy order flow from the markets we serve, continued recovery of key industries, along with contributions from our subsidiary, Malayan Adhesives And Chemicals Sdn. Bhd. (“MAC”). Industrial adhesives and sealants remained the primary revenue driver, contributing 93.30% or RM33.64 million to the total revenue for the Current Quarter.

The top-line improvement combined with lower raw material costs and favourable product sales mix, has boosted the Group’s gross profit (“GP”) 56.37% YoY to RM9.49 million for the quarter under review versus RM6.07 million a year ago. GP margin for the Current Quarter rose to 26.33% as compared to 22.84% in the prior year.

At the profit after tax and non-controlling interest (“PATNCI” or “net profit”) level, the Group achieved a YoY growth of 37.88% YoY to RM4.04 million in the Current Quarter from RM2.93 million a year ago. This was mainly attributed to the aforementioned factors.

**(b) Comparison with the corresponding financial period-to-date in the previous financial year (9 months)**

For the current period ended 31 March 2024, the Group recorded its best-ever cumulative nine-month revenue at RM112.6 million, a jump of 50.47% YoY from RM74.8 million last year. The healthy increase was predominantly owing to the abovementioned solid order flow, key industries recovery as well as MAC’s contribution. Notably, this is the first time the Group’s cumulative nine-month revenue hit past the RM100 million-mark. Furthermore, the cumulative nine-month revenue has surpassed FY2023’s full-year record revenue of RM108.95 million. Industrial adhesives and sealants continued to be the anchor revenue contributor, accounting for 94.36% or RM106.25 million of total revenue.

In-line with the top-line performance, GP soared 84.77% YoY to RM29.53 million for the cumulative financial period-to-date, vis-à-vis RM15.98 million in the previous year. GP margin for the period under review improved to 26.23% versus 21.36% in the prior year corresponding period.

The Group delivered its all-time high cumulative nine-month net profit of RM11.47 million for the current period ended 31 March 2024, which doubled from the RM5.74 million achieved a year ago. This is just shy of the record full-year net profit of RM11.51 million posted in FY2021, the highest-ever bottom-line performance since its listing.

**B2. Comparison with immediate preceding quarter**

	Individual quarter 3 months ended		RM'000	Changes %
	31/03/2024 RM'000	31/12/2023 RM'000		
Revenue	36,053	40,160	(4,107)	(10.23%)
Profit before tax	4,878	5,582	(704)	(12.61%)
Profit for the period	4,036	4,349	(313)	(7.19%)

On a quarter-on-quarter (“QoQ”) basis, revenue was lower at RM36.05 million in the Current Quarter versus RM40.16 million in the immediate preceding quarter. Net profit for the current quarter under review stood at RM4.04 million as compared to RM4.35 million in the immediate preceding quarter. This was largely due to reduced manufacturing activity during the festive period (i.e., Chinese New Year), when certain customers had extended closures.

**B3. Prospects**

Forging ahead, we are upholding our upbeat view on the Group’s prospects. The demand outlook from customers remains healthy and we expect recovery in certain industries to continue picking up pace. Additionally, the Group managed to penetrate into new markets recently and on-boarded several new customers. In the meantime, the team is in active discussion with more potential customers in various countries. This demonstrates that our active participation in trade shows and exhibitions is bearing fruit.

In Vietnam, while benefiting from the order recovery of the woodworking industry, our upstream polymerization plant continues to show positive progress. The supply of polymer to external customers has been gaining good traction and we anticipate this trend to sustain. Meanwhile, the Group continues to engage with prospective customers on this front.

On MAC, we are leveraging on the synergies to create more value for the Group. With the implementation of internal control measures taking shape and operational efficiency enhancement progressing well, we continue to be excited by the potential of MAC.

All in all, Techbond’s outlook continues to be promising premised upon the aforementioned factors backed by our strong 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 31/03/2024 RM'000	Preceding year quarter 31/03/2023 RM'000	Current year- to-date 31/03/2024 RM'000	Preceding year- to-date 31/03/2023 RM'000
Current tax	900	402	3,051	1,221
Deferred tax	(58)	(8)	(158)	16
Total	842	394	2,893	1,237

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 31 March 2024		
	Long-term RM'000	Short-term RM'000	Total Borrowing RM'000
<b>Secured</b>			
Denominated in RM			
Term loan	6,756	2,606	9,362
	As at 31 March 2023		
	Long-term RM'000	Short-term RM'000	Total Borrowing RM'000
<b>Secured</b>			
Denominated in RM			
Term loan	25,107	2,556	27,663

**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**

During the quarter under review, the Board of Directors has declared a first single-tier interim dividend of 0.5 sen per ordinary share amounting to approximately RM2.68 million in respect of financial year ending 30 June 2024 to be paid on 3 July 2024. The dividend will be paid to holders of ordinary shares whose names appear in Record of Depositors at the close business on 13 June 2024.

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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 31/03/2024	Preceding year quarter 31/03/2023	Current year- to-date 31/03/2024	Preceding year-to-date 31/03/2023
Profit after tax attributable to the owners of the Company (RM'000)	4,036	2,927	11,472	5,745
Weighted average number of ordinary shares in issue ('000)	533,489	529,397	533,489	529,397
Basic EPS (sen) <sup>(1)</sup>	0.76	0.56	2.15	1.09
Diluted EPS (sen) <sup>(2)</sup>	0.70	0.52	1.98	1.03

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 31/03/2024 RM'000	Preceding year quarter 31/03/2023 RM'000	Current year- to-date 31/03/2024 RM'000	Preceding year-to-date 31/03/2023 RM'000
Amortisation of right-of-use-assets	365	53	1,094	156
Depreciation of investment properties	8	8	23	23
Depreciation of property, plant and equipment	1,247	954	3,648	2,538
Fair value gain on short-term demand deposits	(66)	(148)	(223)	(507)
Finance cost	109	120	558	120
Gain on bargain purchase	-	(1,647)	-	(1,647)
Gain on disposal of property, plant and equipment	(13)	-	(13)	-
Interest income	(146)	(180)	(691)	(255)
Net impairment loss on trade receivables	-	(3)	-	(20)
Net realised loss/(gain) on foreign exchange	122	(196)	(217)	(101)
Net unrealised (gain)/loss on foreign exchange	(233)	(206)	1,137	(171)
Rental expenses	50	50	151	127
Rental income#	(399)	(177)	(1,046)	(530)

# 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.