



Always Low Prices

MR D.I.Y. GROUP (M) BERHAD

【Company No.: 201001034084 (918007-M)】

INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

14 NOVEMBER 2024

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30/09/2024 RM'000 | 30/09/2023 RM'000 | 30/09/2024 RM'000 | 30/09/2023 RM'000 |
| Revenue | 1,135,074 | 1,066,532 | 3,474,353 | 3,212,571 |
| Cost of sales | (619,669) | (587,025) | (1,890,967) | (1,760,765) |
| Gross profit | 515,405 | 479,507 | 1,583,386 | 1,451,806 |
| Other operating income | 8,212 | 6,885 | 31,520 | 21,910 |
| Administrative expenses | (56,715) | (45,161) | (155,127) | (132,034) |
| Other operating expenses | (283,744) | (257,375) | (838,031) | (751,049) |
| Profit from operations | 183,158 | 183,856 | 621,748 | 590,633 |
| Finance costs | (20,001) | (17,430) | (58,576) | (52,868) |
| Share of profit of associates | 1,367 | 634 | 4,352 | 3,142 |
| Profit before tax | 164,524 | 167,060 | 567,524 | 540,907 |
| Income tax expense | (42,877) | (43,113) | (145,785) | (138,866) |
| Profit for the period | 121,647 | 123,947 | 421,739 | 402,041 |
| Other comprehensive income | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | |
| (Loss)/Gain on foreign currency translation | (892) | 152 | (945) | 895 |
| Other comprehensive (loss)/income, net of tax | (892) | 152 | (945) | 895 |
| Total comprehensive income for the period | 120,755 | 124,099 | 420,794 | 402,936 |
| Profit attributable to: | | | | |
| Owners of the Company | 121,647 | 123,947 | 421,739 | 402,041 |
| Non-controlling interests | - | - | - | - |
| | 121,647 | 123,947 | 421,739 | 402,041 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 120,755 | 124,099 | 420,794 | 402,936 |
| Non-controlling interests | - | - | - | - |
| | 120,755 | 124,099 | 420,794 | 402,936 |
| Basic earnings per share (sen) | 1.29 | 1.31 | 4.46 | 4.26 |
| Diluted earnings per share (sen) | 1.29 | 1.31 | 4.46 | 4.25 |

Note:

(1) The condensed consolidated statements of profit or loss and other 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 report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

| | Unaudited As at 30/09/2024 RM'000 | Audited As at 31/12/2023 RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 859,011 | 827,107 |
| Intangible assets | 7,693 | 7,652 |
| Right-of-use assets | 1,306,331 | 1,232,092 |
| Investment in associates | 58,237 | 34,251 |
| Deferred tax assets | 21,963 | 20,963 |
| | <u>2,253,235</u> | <u>2,122,065</u> |
| Current assets | | |
| Inventories | 1,090,591 | 1,084,396 |
| Trade and other receivables | 125,690 | 106,638 |
| Current tax assets | 3,037 | 5,504 |
| Cash and bank balances | 265,585 | 232,321 |
| | <u>1,484,903</u> | <u>1,428,859</u> |
| TOTAL ASSETS | <u>3,738,138</u> | <u>3,550,924</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share capital | 346,888 | 332,664 |
| Reserves | 1,528,831 | 1,412,568 |
| TOTAL EQUITY | <u>1,875,719</u> | <u>1,745,232</u> |
| LIABILITIES | | |
| Non-current liabilities | | |
| Borrowings | 10,805 | 11,435 |
| Lease liabilities | 1,184,469 | 1,123,075 |
| Provision for restoration costs | 24,590 | 22,331 |
| Deferred tax liabilities | 6,088 | 7,977 |
| | <u>1,225,952</u> | <u>1,164,818</u> |
| Current liabilities | | |
| Trade and other payables | 179,305 | 189,211 |
| Borrowings | 178,267 | 191,056 |
| Lease liabilities | 221,277 | 199,064 |
| Provision for restoration costs | 1,085 | 900 |
| Current tax liabilities | 56,533 | 60,643 |
| | <u>636,467</u> | <u>640,874</u> |
| TOTAL LIABILITIES | <u>1,862,419</u> | <u>1,805,692</u> |
| TOTAL EQUITY AND LIABILITIES | <u>3,738,138</u> | <u>3,550,924</u> |
| Net assets per share attributable to owners of the Company (sen) | <u>19.84</u> | <u>18.48</u> |

Note:

(1) The condensed consolidated statements 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 report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

| | Share capital RM'000 | Merger reserve RM'000 | Foreign currency translation reserve RM'000 | Share options reserve RM'000 | Distributable Retained earnings RM'000 | Total equity RM'000 |
|--|-------------------------|--------------------------|--|---------------------------------|---|------------------------|
| At 1 January 2024 | 332,664 | (117,450) | 2,408 | 6,037 | 1,521,573 | 1,745,232 |
| Acquisitions of additional shares in a subsidiary from non-controlling interests | - | (500) | - | - | - | (500) |
| Net profit for the period | - | - | - | - | 421,739 | 421,739 |
| Other comprehensive income | - | - | (945) | - | - | (945) |
| Total comprehensive income | - | - | (945) | - | 421,739 | 420,794 |
| Transactions with owners | | | | | | |
| Issuance of shares | 14,224 | - | - | (1,992) | - | 12,232 |
| Dividends paid | - | - | - | - | (302,426) | (302,426) |
| ESOS share options expenses | - | - | - | 387 | - | 387 |
| Total transactions with owners | 14,224 | - | - | (1,605) | (302,426) | (289,807) |
| At 30 September 2024 | 346,888 | (117,950) | 1,463 | 4,432 | 1,640,886 | 1,875,719 |
| At 1 January 2023 | 316,689 | (117,450) | 1,189 | 7,281 | 1,225,148 | 1,432,857 |
| Net profit for the period | - | - | - | - | 402,041 | 402,041 |
| Other comprehensive income | - | - | 895 | - | - | 895 |
| Total comprehensive income | - | - | 895 | - | 402,041 | 402,936 |
| Transactions with owners | | | | | | |
| Issuance of shares | 11,925 | - | - | (1,979) | - | 9,946 |
| Dividends paid | - | - | - | - | (188,715) | (188,715) |
| ESOS share options expenses | - | - | - | 983 | - | 983 |
| Total transactions with owners | 11,925 | - | - | (996) | (188,715) | (177,786) |
| At 30 September 2023 | 328,614 | (117,450) | 2,084 | 6,285 | 1,438,474 | 1,658,007 |

Note:

- (1) The condensed consolidated statements 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 report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

| | CUMULATIVE QUARTER | |
|--|---------------------------|-------------------|
| | 30/09/2024 | 30/09/2023 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 567,524 | 540,907 |
| Adjustments for: | | |
| Amortisation of intangible assets | 2,095 | 1,843 |
| Amortisation of deposits of right-of-use assets | 1,927 | 1,704 |
| Depreciation of property, plant and equipment | 77,735 | 72,240 |
| Depreciation of right-of-use assets | 164,198 | 149,547 |
| Interest expense | 58,576 | 52,868 |
| Interest income | (5,376) | (3,230) |
| Other non-cash items | 31,892 | 24,390 |
| Operating profit before changes in working capital | 898,571 | 840,269 |
| Changes in working capital: | | |
| Inventories | (42,134) | 1,066 |
| Trade and other receivables | (20,761) | 17,054 |
| Trade and other payables | (20,213) | 703 |
| Cash generated from operations | 815,463 | 859,092 |
| Tax paid | (150,176) | (127,798) |
| Tax refunded | - | 1,247 |
| Net cash from operating activities | 665,287 | 732,541 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investment in associates | (20,804) | - |
| Acquisitions of additional shares in a subsidiary from non-controlling interests | (500) | - |
| Dividend received from an associate | 1,170 | 231 |
| Interest income received | 5,376 | 3,230 |
| Purchase of property, plant and equipment | (103,887) | (167,711) |
| Purchase of intangible assets | (2,171) | (2,079) |
| Proceeds from disposal of property, plant and equipment | 2,219 | 1,683 |
| Proceeds from disposal of intangible assets | 35 | 15 |
| Net cash used in investing activities | (118,562) | (164,631) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid | (302,426) | (188,715) |
| Drawdowns of revolving credits | 138,000 | 10,000 |
| Interest expense paid on: | | |
| -borrowings | (8,655) | (8,208) |
| -lease liabilities | (48,628) | (43,637) |
| Payments of lease liabilities | (149,426) | (134,513) |
| Proceeds from share issuance | 12,232 | 9,946 |
| Repayments of hire purchase creditors | (864) | (719) |
| Repayments of term loans | (759) | (4,649) |
| Repayments of revolving credits | (150,000) | (150,000) |
| Net cash used in financing activities | (510,526) | (510,495) |
| Net increase in cash and cash equivalents | 36,199 | 57,415 |
| Effects of exchange rate changes on cash and cash equivalents | (1,995) | 197 |
| Cash and cash equivalents at the beginning of financial period | 212,981 | 114,874 |
| Cash and cash equivalents at the end of financial period | 247,185 | 172,486 |

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾ (continued)**

| | CUMULATIVE QUARTER | |
|---|--------------------|----------------|
| | 30/09/2024 | 30/09/2023 |
| | RM'000 | RM'000 |
| Cash and cash equivalents comprise: | | |
| Cash and bank balances | 139,580 | 100,381 |
| Deposits with licensed banks | 126,005 | 92,090 |
| | <u>265,585</u> | <u>192,471</u> |
| Less: Bank overdraft included in borrowings | (18,400) | (19,985) |
| | <u>247,185</u> | <u>172,486</u> |

Note:

- (1) The condensed consolidated statements 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 report.

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

1. Basis of Preparation

The interim financial report of Mr D.I.Y. Group (M) Berhad (the "Company") and its subsidiaries (collectively, the "Group") is unaudited and has been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards ("MFRS") 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report 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 report.

2. Accounting Policies

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2023 except for the adoption of the following new accounting standards, amendments and interpretation:

2.1 New MFRS adopted during the financial period

| Title | Effective Date |
|---|-----------------------|
| Amendments to MFRS 16 <i>Lease Liability in a sale and leaseback</i> | 1 January 2024 |
| Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i> | 1 January 2024 |
| Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i> | 1 January 2024 |
| Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i> | 1 January 2024 |

The adoption of the above amendments to MFRSs do not have a material impact on the financial statements of the Group.

3. Auditors' Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2023.

4. Seasonal or Cyclical Factors

The business operations of the Group typically experience higher customer traffic, transaction value and sales during weekends, public holidays, school holidays and festive periods.

5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

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

6. Material Changes in Estimates

There was no changes in estimates of amounts reported that have a material effect in the current quarter and financial period under review.

7. Debts and Equity Securities

Employees' Share Option Scheme

During the current financial period under review, the Company issued 11,432,000 ordinary shares at the price of RM1.07 arising from the exercise of the Employees' Share Option Scheme.

Other than the above, there was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current financial period under review.

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

8. Dividend

| | RM'000 |
|---|---------------|
| In respect of the financial year ended 31 December 2023: | |
| Interim single tier dividend of RM0.010 per ordinary share, paid on 22 March 2024 | 94,466 |
| In respect of the financial year ending 31 December 2024: | |
| Interim single tier dividend of RM0.01 per ordinary share, paid on 21 June 2024 | 94,509 |
| Interim single tier dividend of RM0.012 per ordinary share, paid on 13 September 2024 | 113,451 |
| | 207,960 |

Declared

On 14 November 2024, the Company declared an interim single tier dividend of RM0.01 per ordinary share approximately RM94.5 million in respect of the financial year ending 31 December 2024, to be paid on 13 December 2024 to shareholders of the Company whose name appear in the Record of Depositors on 29 November 2024.

9. Segment reporting

The Group is organised into two (2) reportable segments based on their geographical locations. The reportable segments are summarised as follows:

- (i) Malaysia; and
- (ii) Brunei

The segmental information for the financial period ending 30 September 2024 is as follows:

| | Malaysia RM'000 | Brunei RM'000 | Eliminations RM'000 | Total RM'000 |
|--|----------------------------|--------------------------|--------------------------------|-------------------------|
| Revenue | | | | |
| Sales to external customers | 3,441,507 | 32,846 | - | 3,474,353 |
| Inter-segment sales | 13,254 | - | (13,254) | - |
| Total revenue | 3,454,761 | 32,846 | (13,254) | 3,474,353 |
| Results | | | | |
| Profit from operations | 627,002 | 10,963 | (16,217) | 621,748 |
| Interest expense | (57,501) | (1,075) | - | (58,576) |
| Share of profit of associates | 4,352 | - | - | 4,352 |
| Profit before tax | 573,853 | 9,888 | (16,217) | 567,524 |
| Income tax expense | (144,058) | (1,753) | 26 | (145,785) |
| Net profit for the financial period | 429,795 | 8,135 | (16,191) | 421,739 |
| Segment assets | 3,684,298 | 54,620 | (780) | 3,738,138 |
| Segment liabilities | 1,818,629 | 44,078 | (288) | 1,862,419 |

The segmental information for the financial period ended 30 September 2023 is as follows:

| | Malaysia RM'000 | Brunei RM'000 | Eliminations RM'000 | Total RM'000 |
|--|----------------------------|--------------------------|--------------------------------|-------------------------|
| Revenue | | | | |
| Sales to external customers | 3,177,993 | 34,578 | - | 3,212,571 |
| Inter-segment sales | 14,125 | - | (14,125) | - |
| Total revenue | 3,192,118 | 34,578 | (14,125) | 3,212,571 |
| Results | | | | |
| Profit from operations | 594,040 | 11,622 | (15,029) | 590,633 |
| Interest expense | (51,878) | (990) | - | (52,868) |
| Share of profit of associates | 3,142 | - | - | 3,142 |
| Profit before tax | 545,304 | 10,632 | (15,029) | 540,907 |
| Income tax expense | (136,887) | (2,013) | 34 | (138,866) |
| Net profit for the financial period | 408,417 | 8,619 | (14,995) | 402,041 |
| Segment assets | 3,425,705 | 46,822 | (959) | 3,471,568 |
| Segment liabilities | 1,782,058 | 31,917 | (414) | 1,813,561 |

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

10. Property, Plant and Equipment

- (a) Acquisitions and disposals
 There was no material acquisition and disposals of property, plant and equipment during the current quarter and financial period under review.
- (b) Valuation
 There was no valuation of property, plant and equipment in the current quarter and financial period under review as the Group has not adopted a revaluation policy on its property, plant and equipment.

11. Capital Commitments

Capital expenditure in respect of purchase of property, plant and equipment:

| | 30/09/2024 | 31/12/2023 |
|-----------------------------------|-------------------|-------------------|
| | RM'000 | RM'000 |
| - Approved but not contracted for | 112,169 | 202,646 |
| - Contracted but not provided for | 30,646 | 60,375 |
| | <u>142,815</u> | <u>263,021</u> |

12. Material Events Subsequent to the End of Financial Period

There was no material event subsequent to the end of the current quarter up to the date of the interim financial report.

13. Changes in the Composition of the Group

There was no material changes in the composition of the Group during the current quarter and financial period under review.

14. Changes in Contingent Liability

There was no material contingent liability as at the end of the current financial period and up to the date of the interim financial report.

15. Significant Related Party Transactions

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---------------------------|-------------------|---------------------------|-------------------|
| | 30/09/2024 | 30/09/2023 | 30/09/2024 | 30/09/2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Associates: | | | | |
| Purchases of equipment and computer software | 2,283 | 1,595 | 5,733 | 5,002 |
| Purchases of goods | 11,645 | 1,554 | 30,833 | 4,728 |
| Companies in which certain Directors have financial interests: | | | | |
| Sales of goods | 3,508 | 5,109 | 13,183 | 13,815 |
| Rental expenses | 1,140 | - | 2,280 | - |
| Management fees received/ receivables | 4,697 | 2,843 | 18,766 | 11,975 |

The related party transactions described above were carried out in the ordinary course of business and have been established under negotiated and mutually agreed terms.

16. Fair Value of Financial Liabilities

There was no gain or loss arising from fair value changes of the Group's financial liabilities for the current quarter and financial period under review.

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

17. Performance Review

3QFY2024 vs 3QFY2023

Group revenue increased by 6.4% year-on-year ("y-o-y") to RM1,135.1 million in 3QFY2024, driven by higher transactions and the contribution of new stores. This was partially offset by a decline in like-for-like sales growth, reflecting tightening household spending and weaker consumer sentiment during this period.

The Group opened a net total of 49 new stores during the quarter, representing 15.0% y-o-y growth and bringing the total store count as of the end of September 2024 to 1,389. Total transactions rose 9.0% y-o-y to reach 45.3 million in tandem with the increase in store numbers. However, the growth in transactions was partially offset by a 2.2% decline in basket size, likely due to the aforementioned factors.

Gross profit for 3QFY2024 grew 7.5% y-o-y to RM515.4 million, driven by higher revenue, while gross profit margin remained broadly stable at 45.4% compared to the same period last year.

Other operating income for the quarter amounted to RM8.2 million, mainly comprising management fees, interest income derived from short-term fixed deposits, and the accretion of discounts from security and utility deposits on leases.

Administrative and other operating expenses for 3QFY2024 increased by 25.6% and 10.2% y-o-y to RM56.7 million and RM283.7 million, respectively. This increase was driven primarily by higher staff costs, depreciation of right-of-use assets and fixed assets, and higher utility expenses, consistent with the Group's business expansion activities and support for its growing store network. The Group also incurred higher administrative and operating expenses of approximately RM6.0 million (including certain one-time charges of RM3.7 million) associated with operating our new automated warehouse and other warehouse facilities, which continue to operate normally.

Group profit before tax ("PBT") and profit after tax ("PAT") decreased 1.5% and 1.9% y-o-y respectively to RM164.5 million and RM121.6 million, as a result of the above.

Financial review for current financial year-to-date ("YTD") vs preceding year's corresponding financial YTD

The Group reported cumulative revenue of RM3,474.4 million for the financial period ended September 2024 ("9MFY2024"), an 8.1% y-o-y increase compared to the same period in the previous year, primarily driven by new store contributions. The Group's store network expanded by 15.0% y-o-y to 1,389 stores during this period, resulting in a 12.5% y-o-y increase in total transactions to 135.8 million. This was partially offset by a 3.9% decline in the average basket size, mainly due to fewer items per transaction.

Gross profit for 9MFY2024 increased by 9.1% y-o-y to RM1,583.4 million, driven mainly by higher revenue. Gross profit margin remained broadly consistent at 45.6% compared to 45.2% in the corresponding period last year.

Other operating income for 9MFY2024 rose 43.9% y-o-y to RM31.5 million. This primarily comprised management fees, interest income from short-term fixed deposits, and the accretion of discounts from security and utility deposits on leases.

Administrative and other operating expenses increased by 17.5% and 11.6% y-o-y, respectively, during this period. This rise was mainly due to higher staff costs, utility expenses, and increased depreciation of right-of-use assets and fixed assets.

The Group's reported PBT and PAT for 9MFY2024 rose 4.9% each, to RM567.5 million and RM421.7 million, driven by higher revenue and gross profit, partially offset by increased expenses.

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

18. Comparison With Immediate Preceding Quarter's Results

The Group's revenue and PBT declined by 5.1% and 20.9%, respectively, to RM1,135.1 million and RM164.5 million compared to the preceding quarter. The decrease in revenue was mainly due to the absence of festive periods coupled with weaker consumer sentiment, which was impacted by the removal of diesel subsidies.

19. Prospects

The Group is dedicated to delivering long-term sustainable value and growth to its stakeholders through its store expansion strategy, enhanced merchandising range, and improvements in operational efficiency.

The Group has declared a dividend of RM94.5 million, representing a payout ratio of 77.7% of PAT, underscoring its strong financial position and confidence in future prospects. This quarter's dividend surpasses the target payout ratio of 50-65%.

The Group's 2025 growth plan to open 190 new stores across its core brands, including KKV, is expected to drive revenue growth and sustained profitability. The Group's investment in the KKV retail chain complements its current offering and is projected to further boost overall profitability.

20. Variance of Actual Profit from Profit Forecast or Profit Guarantee

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

21. Status of Corporate Proposal

There was no corporate proposal announced but not completed as at the date of this interim financial report.

22. Profit Before Tax

Profit before tax for the current quarter and current year is arrived at after charging/(crediting):-

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--------------------|------------|--------------------|------------|
| | 30/09/2024 | 30/09/2023 | 30/09/2024 | 30/09/2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Accretion of discount on deposits | (657) | (562) | (1,858) | (1,627) |
| Amortisation of deposits of right-of-use assets | 683 | 588 | 1,927 | 1,704 |
| Amortisation of intangible assets | 707 | 634 | 2,095 | 1,843 |
| Depreciation of property, plant and equipment | 26,497 | 24,795 | 77,735 | 72,240 |
| Depreciation of right-of-use assets | 56,483 | 51,934 | 164,198 | 149,547 |
| Interest income | (1,518) | (1,232) | (5,376) | (3,230) |
| Inventory losses | 9,939 | 7,543 | 21,326 | 18,299 |
| Inventories written off | 5,841 | 4,032 | 14,473 | 11,497 |
| Reversal of written-down of slow-moving inventories | (123) | (973) | (464) | (1,747) |
| Loss/(Gain) on disposal of property, plant and equipment | 137 | (133) | 189 | (164) |
| Loss/(Gain) on reassessments and modifications of leases | 28 | (329) | (1,694) | (810) |
| Realised loss/(gain) on foreign exchange | 1,232 | 226 | 1,107 | (70) |
| Unrealised loss on foreign exchange | 741 | 73 | 966 | 232 |

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

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

23. Taxation

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 30/09/2024 RM'000 | 30/09/2023 RM'000 | 30/09/2024 RM'000 | 30/09/2023 RM'000 |
| Current year tax expense | | | | |
| - current period | 47,562 | 45,889 | 149,785 | 146,001 |
| - over provision in prior years | (1,116) | (1,413) | (1,116) | (1,293) |
| | <u>46,446</u> | <u>44,476</u> | <u>148,669</u> | <u>144,708</u> |
| Deferred tax | | | | |
| - relating to origination and reversal of temporary differences | (4,286) | (1,869) | (3,601) | (6,348) |
| - under provision in prior years | 717 | 506 | 717 | 506 |
| | <u>(3,569)</u> | <u>(1,363)</u> | <u>(2,884)</u> | <u>(5,842)</u> |
| Tax expense | <u>42,877</u> | <u>43,113</u> | <u>145,785</u> | <u>138,866</u> |
| Effective tax rate | <u>26.1%</u> | <u>25.8%</u> | <u>25.7%</u> | <u>25.7%</u> |

The tax charge for the Group reflects an effective tax rate which is higher than the statutory tax rate of 24% mainly due to certain expenses which are not deductible for tax purposes.

24. Borrowings

| | As at 30/09/2024 RM'000 | As at 31/12/2023 RM'000 |
|--------------------------------|-------------------------------|-------------------------------|
| Non-current liabilities | | |
| Secured | | |
| Hire purchase creditors | 3,989 | 3,790 |
| Term loans | 6,816 | 7,645 |
| | <u>10,805</u> | <u>11,435</u> |
| Current liabilities | | |
| Unsecured | | |
| Revolving credits | 158,000 | 170,000 |
| Secured | | |
| Bank overdraft | 18,400 | 19,340 |
| Hire purchase creditors | 819 | 738 |
| Term loans | 1,048 | 978 |
| | <u>178,267</u> | <u>191,056</u> |
| Total borrowings | | |
| Bank overdraft | 18,400 | 19,340 |
| Revolving credits | 158,000 | 170,000 |
| Hire purchase creditors | 4,808 | 4,528 |
| Term loans | 7,864 | 8,623 |
| | <u>189,072</u> | <u>202,491</u> |

The above borrowings are denominated in Ringgit Malaysia.

25. Derivatives

There was no derivatives in the current quarter and financial period under review.

26. Material Litigation

There is no material litigation for the current financial period to date.

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
27. Earnings Per Share

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--------------------|------------|--------------------|------------|
| | 30/09/2024 | 30/09/2023 | 30/09/2024 | 30/09/2023 |
| Profit attributable to owners of the Company (RM'000) | 121,647 | 123,947 | 421,739 | 402,041 |
| Weighted average number of ordinary shares in issue ('000) | 9,453,598 | 9,437,287 | 9,449,599 | 9,434,259 |
| Basic earnings per ordinary share (sen) | 1.29 | 1.31 | 4.46 | 4.26 |
| Weighted average number of ordinary shares in issue ('000) | 9,453,598 | 9,437,287 | 9,449,599 | 9,434,259 |
| Effect of dilution of share options ('000) | 11,727 | 16,475 | 11,351 | 19,630 |
| Weighted average number of ordinary shares in issue (Diluted) ('000) | 9,465,325 | 9,453,762 | 9,460,950 | 9,453,889 |
| Diluted earnings per ordinary share (sen) | 1.29 | 1.31 | 4.46 | 4.25 |