



# **MST GOLF GROUP BERHAD**

(Registration No. 199301009307 (264044-M))  
(formerly known as M S T Golf (Asia) Sdn. Bhd.)  
(Incorporated in Malaysia under the Companies Act, 2016)

## **Interim Financial Report For The First Quarter Ended 31 March 2023**

**MST GOLF GROUP BERHAD**

(Registration No. 199301009307 (264044-M))  
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 (Incorporated in Malaysia under the Companies Act,2016)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME<sup>(1)</sup>**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		31.03.2023 RM'000	31.3.2022 <sup>(2)</sup> RM'000	31.03.2023 RM'000	31.3.2022 <sup>(2)</sup> RM'000
Revenue	A9	86,288	N/A	86,288	N/A
Cost of sales		(49,089)	N/A	(49,089)	N/A
Gross profit		37,199	N/A	37,199	N/A
Other income		835	N/A	835	N/A
Administrative and other expenses		(22,940)	N/A	(22,940)	N/A
Selling and distribution expenses		(1,841)	N/A	(1,841)	N/A
<b>Operating profit</b>		13,253	N/A	13,253	N/A
Finance cost		(1,473)	N/A	(1,473)	N/A
<b>Profit before tax</b>	B5	11,780	N/A	11,780	N/A
Tax expense	B6	(2,989)	N/A	(2,989)	N/A
<b>Profit for the financial period</b>		8,791	N/A	8,791	N/A
Other comprehensive income:- <i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation		497	N/A	497	N/A
<b>Other comprehensive income for the financial period</b>		497	N/A	497	N/A
<b>Total comprehensive income for the financial period</b>		9,288	N/A	9,288	N/A
<b>Profit for the financial period attributable to:-</b>					
Owners of the Company		8,791	N/A	8,791	N/A
Non-controlling interests		-	N/A	-	N/A
		8,791	N/A	8,791	N/A
<b>Total comprehensive income attributable to:-</b>					
Owners of the Company		9,288	N/A	9,288	N/A
Non-controlling interests		-	N/A	-	N/A
		9,288	N/A	9,288	N/A
Basic earnings per share ("Basic EPS") <sup>(3)</sup> (sen)	B12	1.33	N/A	1.33	N/A
Diluted earnings per share ("Diluted EPS") <sup>(4)</sup> (sen)	B12	1.33	N/A	1.33	N/A

Notes:

N/A means "Not applicable"

(1) The basis of preparation of the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of MST Golf Group Berhad dated 28 June 2023 and the accompanying explanatory notes attached to this interim financial report.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME<sup>(1)</sup> (CONT'D)**

- (2) No comparative figures for the preceding corresponding period are presented as this is the first interim financial report announced by MST Golf Group Berhad in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities")("Listing Requirements").
- (3) Basic EPS computed based on profit attributable to owners of MST Golf Group Berhad divided by the number of ordinary shares outstanding (after the completion of the Pre-IPO Reorganisation Exercise as disclosed in the Prospectus of MST Golf Group Berhad dated 28 June 2023) of 660,868,600.
- (4) Diluted EPS of MST Golf Group Berhad is equivalent to the basic EPS as the company does not have convertible securities at the end of the current quarter.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023<sup>(1)</sup>**

	Note	Unaudited as at 31.03.2023 RM'000	Audited as at 31.12.2022 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		44,925	44,024
Right-of-use assets		47,994	46,111
Intangible assets		1,417	1,417
Other Investment		17	17
Deferred tax assets		530	219
<b>Total non-current assets</b>		<b>94,883</b>	<b>91,788</b>
<b>Current assets</b>			
Inventories		135,421	113,567
Trade receivables		17,140	8,506
Other receivables		14,089	15,979
Tax recoverable		7	7
Fixed deposits with licensed banks		1,804	2,059
Cash and bank balances		8,441	26,825
<b>Total current assets</b>		<b>176,902</b>	<b>166,943</b>
<b>TOTAL ASSETS</b>		<b>271,785</b>	<b>258,731</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Equity attributable to equity shareholders of the Company:-</b>			
Share capital		39,836	39,836
Foreign exchange reserve		3,623	3,126
Retained earnings		61,445	52,654
<b>Total equity</b>		<b>104,904</b>	<b>95,616</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		40,116	38,728
Borrowings	B9	18,867	15,478
Deferred tax liabilities		810	805
<b>Total non-current liabilities</b>		<b>59,793</b>	<b>55,011</b>
<b>Current liabilities</b>			
Trade payables		37,480	17,240
Other payables		7,560	13,984
Contract liabilities		5,554	4,417
Dividend payable	A8	-	12,500
Borrowings	B9	40,900	45,713
Lease liabilities		11,374	10,682
Tax payable		4,220	3,568
<b>Total current liabilities</b>		<b>107,088</b>	<b>108,104</b>
<b>Total liabilities</b>		<b>166,881</b>	<b>163,115</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>271,785</b>	<b>258,731</b>
<b>Net assets per share <sup>(2)</sup> (RM)</b>		<b>0.16</b>	<b>0.14</b>

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023<sup>(1)</sup>  
(CONT'D)**

## Notes:

- (1) The basis of preparation of the Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of MST Golf Group Berhad dated 28 June 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Computed based on total equity of the Group divided by the number of ordinary shares outstanding (after the completion of the Pre-IPO Reorganisation Exercise as disclosed in the Prospectus of MST Golf Group Berhad dated 28 June 2023) of 660,868,600.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY<sup>(1)</sup>**

	Non-distributable		Distributable	Total Equity RM'000
	Share capital RM'000	Foreign exchange reserve RM'000	Retained earnings RM'000	
Balances at 1 January 2023	39,836	3,126	52,654	95,616
<b>Total comprehensive income for the financial period</b>				
Profit for the financial period	-	-	8,791	8,791
Other comprehensive income for the financial period	-	497	-	497
	-	497	8,791	9,288
Balances at 31 March 2023	39,836	3,623	61,445	104,904

Note:

- (1) The basis of preparation of the Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of MST Golf Group Berhad dated 28 June 2023 and the accompanying explanatory notes attached to this interim financial report.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS<sup>(1)</sup>**

	Note	CUMULATIVE QUARTER	
		31.03.2023 RM'000	31.03.2022 <sup>(2)</sup> RM'000
<b>OPERATING ACTIVITIES</b>			
Profit before tax		11,780	N/A
<b>Adjustments for:-</b>			
Depreciation of property, plant and equipment		1,894	N/A
Depreciation of right-of-use assets		2,962	N/A
Gain on disposal of property, plant and equipment		4	N/A
Allowance for slow moving inventories		39	N/A
Interest expenses		1,473	N/A
Unrealised loss on foreign exchange		176	N/A
Operating profit before working capital changes		18,328	N/A
Inventories		(21,892)	N/A
Payables		13,687	N/A
Receivables		(6,793)	N/A
Contract liabilities		1,137	N/A
Cash generated from operations		4,467	N/A
Tax paid		(2,647)	N/A
Net cash from operating activities		1,820	N/A
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant & equipment		(2,693)	N/A
Placement of fixed deposits pledged		(150)	N/A
Net cash used in investing activities		(2,843)	N/A
<b>FINANCING ACTIVITIES</b>			
Interest paid		(1,474)	N/A
Dividend paid	A8	(12,500)	N/A
Repayment of trust receipts		(2,782)	N/A
Drawdown of trust receipts		2,070	N/A
Drawdown of term loans		3,739	N/A
Repayment of term loans		(531)	N/A
Payment of principal portion of lease liabilities		(2,786)	N/A
Drawdown of bankers' acceptance		17,723	N/A
Repayment of bankers' acceptance		(18,516)	N/A
Repayment of invoice financing		(2,240)	N/A
Drawdown of revolving loan		48	N/A
Net cash used in financing activities		(17,249)	N/A
<b>CASH AND CASH EQUIVALENTS</b>			
Net changes		(18,272)	N/A
Effect of foreign exchange rate changes		419	N/A
Brought forward		17,585	N/A
Carried forward		(268)	N/A

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS<sup>(1)</sup> (CONT'D)****CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the statements of cash flow comprise the following:-

	31.03.2023 RM'000	31.03.2022 <sup>(2)</sup> RM'000
Cash and bank balances	8,441	N/A
Fixed deposits with licensed banks	1,804	N/A
Less: Bank overdraft	<u>(8,709)</u>	<u>N/A</u>
	1,536	N/A
Less: Fixed deposits pledged with licensed banks	<u>(1,804)</u>	<u>N/A</u>
	<u>(268)</u>	<u>N/A</u>

Notes:

N/A means "Not applicable"

- (1) The basis of preparation of the Condensed Consolidated Statement of Cash Flow is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of MST Golf Group Berhad dated 28 June 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding corresponding period are presented as this is the first interim financial report announced by MST Golf Group Berhad in compliance with the Listing Requirements.

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### **A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

#### **A1. Basis of Preparation**

The interim financial report of MST Golf Group Berhad (“the Company”) and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with Paragraph 9.22 as well as Appendix 9B of the Listing Requirements, requirements of the Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”).

This is the first interim financial report on MST Golf Group Berhad’s unaudited consolidated results for the first quarter ended 31 March 2023 announced by MST Golf Group Berhad in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding corresponding period.

This interim financial report does not include all the information required for a full annual financial statement and should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of MST Golf Group Berhad dated 28 June 2023 and the accompanying explanatory notes attached to this interim financial report.

#### **A2. Significant Accounting Policies**

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited consolidated financial statements for the financial year ended 31 December 2022.

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

##### Effective for financial period beginning on or after 1 January 2023

- MFRS 17 Insurance Contracts and Amendments 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 - International Tax Reform: Pillar Two Model Rules
- Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

##### Effective for financial period beginning on or after 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

##### Deferred to a date to be determined by the MASB

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture\*

\* Not applicable to the Group’s operations.

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**A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (CONT'D)**

The initial application of the above accounting standards, interpretations and amendments are not expected to have any financial impact on the interim financial report of the Group for the current period and prior period.

**A3. Auditors' Report on Preceding Annual Financial Statements**

There was no qualification on the audited consolidated financial statements of the Group for the financial year ended 31 December 2022.

**A4. Seasonal or Cyclical Factors**

The Group's business operations were not affected by any seasonal or cyclical trends during the current quarter.

**A5. Material Unusual Items**

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

**A6. Material Changes in Estimates**

There were no material changes in estimates that have a material effect in the current quarter.

**A7. Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, share held as treasury shares and resale of treasury shares during the current quarter.

**A8. Dividends**

Single tier tax-exempt dividends paid on 20 February 2023 in respect of the financial year ended 31 December 2022, amounting to RM12,500,000.

Save for the above, there were no other dividend declared or paid during the current quarter.

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**A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (CONT'D)**

**A9 Segmental Reporting**

For management purposes, the Group is organised into reportable segments based on four (4) business sectors and two (2) geographical locations of business operation.

The segmental information based on four (4) business sectors for the financial period ended 31 March 2023 is as follows:

	<b>Retail</b>	<b>Wholesale</b>	<b>Golf Services</b>	<b>Indoor Golf</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
Sales to external customers	61,585	21,033	2,439	1,231	86,288
<b>Result</b>					
Profit from operations					13,253
Finance cost					(1,473)
<b>Profit before tax</b>					11,780
Income tax expense					(2,989)
<b>Net profit for the financial period</b>					8,791

The segmental information based on two (2) geographical locations of business operations for the financial period ended 31 March 2023 is as follows:

	<b>Malaysia's Operation</b>	<b>Singapore's Operation <sup>(1)</sup></b>	<b>Total</b>
	RM'000	RM'000	RM'000
<b>Revenue</b>			
Sales to external customers	49,535	36,753	86,288
<b>Result</b>			
Profit from operations			13,253
Finance cost			(1,473)
<b>Profit before tax</b>			11,780
Income tax expense			(2,989)
<b>Net profit for the financial period</b>			8,791

Note:

(1) Singapore's operation includes wholesale to Indonesia and other foreign countries.

**A10. Material Events Subsequent to the End of the Current Quarter**

Save as disclosed in Note B7 on the "Status of Corporate Proposals", there were no other material events subsequent to the end of the current quarter that have not been reflected in this interim financial report.

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**A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (CONT'D)**

**A11. Changes in Composition of the Group**

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

**A12. Contingent Assets and Contingent Liabilities**

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

**A13. Material Capital Commitments**

	<b>Unaudited</b> 31.03.2023 RM'000	<b>Audited</b> 31.12.2022 RM'000
<b>Authorised and contracted for:-</b>		
- Purchase of property, plant and equipment and renovation	1,043	786

**A14. Significant Related Party Transactions**

The significant related party transactions of the Group during the current quarter are shown below:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Unaudited 31.03.2023 RM'000	Unaudited 31.03.2022 <sup>(1)</sup> RM'000	Unaudited 31.03.2023 RM'000	Unaudited 31.03.2022 <sup>(1)</sup> RM'000
Payment of lease liabilities to a related party	74	N/A	74	N/A
Rental expenses paid to a related party	8	N/A	8	N/A
Rental received from a related party	162	N/A	162	N/A

Note:

N/A means "Not applicable"

(1) No comparative figures for the preceding corresponding period are presented as this is the first interim financial report announced by MST Golf Group Berhad in compliance with the Listing Requirements.

**A15. Derivatives**

There were no derivatives used in the current quarter.

**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.

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**B. EXPLANATORY NOTES PURSUANT TO PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS**

**B1. Review of the Performance**

Current and Cumulative Quarter ended 31 March 2023 ("Q1 FY2023")

	Individual Quarter		Cumulative Quarter	
	Unaudited 31.03.2023	Unaudited 31.03.2022 <sup>(1)</sup>	Unaudited 31.03.2023	Unaudited 31.03.2022 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Revenue	86,288	N/A	86,288	N/A
Profit before tax ("PBT")	11,780	N/A	11,780	N/A

Note:

N/A means "Not applicable"

- (1) No comparative figures for the preceding corresponding period are presented as this is the first interim financial report announced by MST Golf Group Berhad in compliance with the Listing Requirements.

The Group recorded total revenue of approximately RM86.29 million in Q1 FY2023, mainly derived from the retail segment, which contributed RM61.59 million or 71.37% to the total revenue, followed by the wholesale segment of RM21.03 million or 24.37% and golf services segment of RM2.44 million or 2.83% and indoor golf segment of RM1.23 million or 1.43%. With the launch of new golf club products in the first quarter of the year, the initial sell through of new products to the wholesale dealers are usually higher.

The Group registered gross profit of RM37.20m with gross profit margin of 43.11%, profit before tax of RM11.78 million and net profit after tax of RM8.79 million with a net profit after tax margin of 10.19%.

**B2. Comparison with the Immediate Preceding Quarter Result**

There are no comparative figures for the immediate preceding quarter as this is the first interim financial report announced by MST Golf Group Berhad in compliance with the Listing Requirements.

**B3. Prospects**

The Group was fortunate to be in the golf industry during Covid-19 period which had resulted in a global golf boom and attracted a significant influx of new golfers, especially from the younger generation and lady golfers. The Group remains optimistic about its prospects post Covid-19, given the current state of golfing activities including the growing landscape of corporate golf tournaments in the market. The Group's innovative 3-in-1 store concept, which combines the specialty store, golf academy and indoor golf facilities offers a total golf retail experience for consumers and continues to capture the interest of malls. With the availability of locations and favourable rental terms, including major shopping malls, the Group sees growth opportunities in Malaysia and Singapore aligning with its expansion plans. The Group is also pleased to announce the successful opening of two new stores in Penang and Seremban this month, with a third store set to open in Shah Alam in August. The Group also has plans for additional retail locations and are currently in various stages of negotiation with landlords.

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**B. EXPLANATORY NOTES PURSUANT TO PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**

The Group is excited about the prospects of the regional expansion plan with its experienced management team, proven business model and management system. The new geographical areas of Indonesia, Thailand and Vietnam present tremendous growth opportunity, and the Group is eager to build its retail business from the ground up in these countries. Leveraging its long track record of partnerships with global brands, the Group is poised to continue as the purveyor of golf retail solutions for these brands, delivering the best retail and brand experiences to golf consumers. The Group inked a MOU on 18 April 2023 with PT Sinar Eka Selaras, a subsidiary of Erajaya Group, a local Indonesia retail player, for a proposed joint venture in Indonesia. Progress toward the Group's expansion into Indonesia via the proposed joint venture is on track.

Given the Group's strong business foundation in Malaysia and Singapore, coupled with its well-established business-to-consumer brand and support from the global brands, the Group is confident in successfully rolling out its business expansion plan for the next three years and beyond. Close to 90% of the IPO proceeds have been allocated for domestic and regional expansion, underscoring the Group's commitment to the growth in the region.

**B4. Profit Forecast or Profit Guarantee**

The Group did not issue any revenue or profit estimate, forecast, projection or internal targets in any public announcement or public documents.

**B5. Profit Before Tax**

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

	Individual Quarter		Cumulative Quarter	
	Unaudited 31.03.2023 RM'000	Unaudited 31.03.2022 <sup>(1)</sup> RM'000	Unaudited 31.03.2023 RM'000	Unaudited 31.03.2022 <sup>(1)</sup> RM'000
Depreciation of property, plant and equipment	1,894	N/A	1,894	N/A
Depreciation of right-of-use assets	2,962	N/A	2,962	N/A
Interest expense on lease liabilities	688	N/A	688	N/A
Interest expense on borrowings	785	N/A	785	N/A
Provision for and write-off of inventories	80	N/A	80	N/A
Reversal of written-down of slow-moving inventories	(41)	N/A	(41)	N/A
Gain on disposal of property, plant and equipment	(1)	N/A	(1)	N/A
Loss on disposal of property, plant and equipment	4	N/A	4	N/A
Realised gain on foreign exchange	(353)	N/A	(353)	N/A
Unrealised loss on foreign exchange	176	N/A	176	N/A

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**B. EXPLANATORY NOTES PURSUANT TO PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**

Note:

N/A means “Not applicable”

(1) No comparative figures for the preceding corresponding period are presented as this is the first interim financial report announced by MST Golf Group Berhad in compliance with the Listing Requirements.

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

**B6. Tax Expense**

	Individual Quarter		Cumulative Quarter	
	Unaudited	Unaudited	Unaudited	Unaudited
	31.03.2023	31.03.2022 <sup>(1)</sup>	31.03.2023	31.03.2022 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
<b>In respect of current period:</b>				
Income tax	3,300	N/A	3,300	N/A
Deferred tax	(311)	N/A	(311)	N/A
Total tax expense	2,989	N/A	2,989	N/A
Effective tax rate (%)	25.4	N/A	25.4	N/A
Statutory tax rate (%)	24.0	N/A	24.0	N/A

Note:

N/A means “Not applicable”

(1) No comparative figures for the preceding corresponding period are presented as this is the first interim financial report announced by MST Golf Group Berhad in compliance with the Listing Requirements.

The Group's effective tax rate was at 25.4% for the current financial period. The effective tax rate for the current financial period was slightly higher than the statutory tax rate of 24.00% mainly due to non-deductible expenses incurred mainly for the depreciation of property, plant and equipment.

**B7. Status of Corporate Proposals**

Save as disclosed below, there were no other corporate proposals announced by MST Golf Group Berhad but not completed as at the date of this interim financial report.

On 28 June 2023, MST Golf Group Berhad issued its Prospectus in relation to the initial public offering (“IPO”) comprising the public issue of 160,000,000 new ordinary shares in the company and an offer for sale of up to 68,000,000 ordinary shares in the company at an issue price of RM0.81 per ordinary share in conjunction with the listing and quotation of the entire enlarged issued share capital of the company on the Main Market of Bursa Securities (“Listing”).

The Listing is still pending completion as MST Golf Group Berhad is expected to be listed on 20 July 2023.

**MST GOLF GROUP BERHAD**

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**B. EXPLANATORY NOTES PURSUANT TO PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**

**B8. Utilisation of Proceeds from the Public Issue**

The expected gross proceeds from the Public Issue amounting to RM129.6 million is expected to be utilised in the following manner:

Detail of the use of proceeds	RM'000	%	Estimated timeframe for the use of proceeds upon listing
Expansion in Malaysia and Singapore	62,755	48.42	Within 36 months
Expansion into new geographical markets	53,550	41.32	Within 36 months
Upgrade of digital technology facilities	3,000	2.32	Within 36 months
Working capital requirements	3,259	2.51	Within 24 months
Estimated listing expenses	7,036	5.43	Within 1 month
<b>Total</b>	<b>129,600</b>	<b>100.00</b>	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus. As at the date of this interim financial report, the IPO is pending completion, and therefore, the proceeds have yet to be raised and utilised.

**B9. Borrowings**

The details of the Group's borrowings are as follows:

	Unaudited 31.03.2023 RM'000	Audited 31.12.2022 RM'000
<b>Secured</b>		
<b>Non-current liability</b>		
Term Loans	18,867	15,478
<b>Secured</b>		
<b>Current liabilities</b>		
Bankers' acceptance	26,135	21,853
Bank overdraft	8,709	9,645
Term loans	2,734	2,915
Invoice financing	-	2,240
Trust receipts	-	5,786
Revolving loan	3,322	3,274
	<b>40,900</b>	<b>45,713</b>
	<b>59,767</b>	<b>61,191</b>

All the borrowings are secured and denominated in Ringgit Malaysia.



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**B. EXPLANATORY NOTES PURSUANT TO PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**

**B10. Material Litigation**

As of the date of this interim financial report, the Group is not engaged in any governmental, legal or arbitration proceedings which may have or have had, material or significant effects on the Group's financial position or profitability.

**B11. Proposed Dividends**

No dividend has been proposed or declared by the Board of Directors of MST Golf Group Berhad during the current quarter.

**B12. Basic and Diluted Earnings per Share ("EPS")**

The basic and diluted EPS for the current quarter is computed as follows:

	Individual Quarter		Cumulative Quarter	
	Unaudited	Unaudited	Unaudited	Unaudited
	31.03.2023	31.03.2022 <sup>(1)</sup>	31.03.2023	31.03.2022 <sup>(1)</sup>
Profit attributable to owners of the Group (RM'000)	8,791	N/A	8,791	N/A
Basic EPS (sen) <sup>(2)</sup>	1.33	N/A	1.33	N/A
Diluted EPS (sen) <sup>(3)</sup>	1.33	N/A	1.33	N/A

Notes:

N/A means "Not applicable"

- (1) No comparative figures for the preceding corresponding period are presented as this is the first interim financial report announced by MST Golf Group Berhad in compliance with the Listing Requirements.
- (2) Computed based on profit attributable to owners of MST Golf Group Berhad divided by the number of ordinary shares outstanding (after the completion of the Pre-IPO Reorganisation Exercise as disclosed in the Prospectus of MST Golf Group Berhad dated 28 June 2023) of 660,868,600.
- (3) Diluted EPS of MSTGolf Group Berhad is equivalent to the basic EPS as the company does not have convertible securities at the end of the current quarter.

**B13. APPROVAL OF INTERIM FINANCIAL REPORT**

The interim financial report as set out above was approved by the Board of Directors of MST Golf Group Berhad in accordance with a resolution dated 17 July 2023.