



For Immediate Release

MST GOLF GROUP BERHAD POSTS REVENUE OF RM75.94 MILLION FOR Q2FY23 AND CHARTS PATH FOR EXPANSION

Satisfactory performance and remains optimistic on existing business as well as expansion of its retail segment in the region

Subang Jaya, 15 August 2023 – MST Golf Group Berhad (*formerly known as M S T Golf (Asia) Sdn Bhd*) (“**MST Golf**” or the “**Company**”), the largest chain of golf specialty retailer in Malaysia, today announced its financial results for the second quarter ended 30 June 2023 (“**Q2FY23**”), recording a revenue of RM75.94 million and a profit after tax (“**PAT**”) of RM4.01 million.

The Company’s year-to-date revenue of RM162.22 million represents a respectable increase of 11.1% notwithstanding the high Covid-19 golf boom sales of the preceding year. The Company maintains gross profit margins of over 43% for the cumulative period under review. Cumulative PAT RM12.80 million for the six (6) months ended 30 June 2023 however came in lower compared to the preceding corresponding period mainly due to lower than expected sales in Q2FY23 and costs associated with rental and staff costs for business expansion.

Segmental wise, MST Golf and its subsidiaries’ (the “**Group**”) retail segment showed surprising resilience during Q2FY23, generating revenue of RM62.69 million whilst remaining the largest contributor to top line making up for 82.6% of total revenue. Meanwhile, the wholesale segment posted a revenue of RM8.25 million or 10.9% of the total revenue. The golf related services and indoor golf segment contributed RM3.68 million or 4.8% and RM1.32 million or 1.7% respectively. Overall, the Group saw growth in all segments save for its wholesale segment. In terms of geographical segmentation, Malaysia remains the largest contributor registering RM47.79 million or 62.9% of total sales followed by Singapore with RM28.15 million or 37.1% of total sales. Again, the decrease in contribution from its Singapore operations was largely due to its wholesale segment.

Ng Yap, Executive Director and Group Chief Executive Officer of MST Golf said, “Despite the lower profits for the quarter, we are confident of our future prospects underlined by the retail segment business as well as our expansion plans within the region. We saw that during the period, our retail sales remained resilient as shown in higher Q2FY23 sales compared to Q1FY23 as well in H1FY23 compared to H1FY22 despite the ‘Covid-19 golf boom’ in 2022.

Golfing activities remain robust as evidenced in our H1FY23 retail sales for golf balls, gloves and shoes. Notably, the Apparel segment continues to exhibit strong growth reflecting a trend towards golf becoming more integrated into lifestyles choices. We are optimistic that we will continue to see growth in revenue mainly from Retail segment in the second half of the financial year.”

On the decrease in sales for the Wholesale segment, Ng Yap commented “Generally sales for the Wholesale segment recorded in the first quarter of the year will be higher than the second quarter due to the majority of new product launches happening during the earlier part of the year. The further decrease in sales from the Wholesale segment and associated profits was due to a decrease in orders from one wholesale customer driven by changes in leadership and having to review their internal procurement and inventory management policies which has affected orders not just from us but also their other suppliers. We believe that this does not reflect diminished demand for our products as we remain the exclusive distributor for the said brand.”

Notwithstanding the above, Ng Yap added that with the successful listing of the Group, management can now look forward to implementing its local and regional expansion plans. “Within our existing market of Malaysia and Singapore, we continue to believe in our innovative 3-in -1 retail concept, which combines our specialty store, golf academy and indoor golf facilities. This is evident in the recent successful opening of our store in Gurney Paragon Mall, Penang which received plenty of positive responses”. Other than its new unique 3-in-1 retail concept in Penang, the Group saw the opening of one (1) other store in Seremban, with another two (2) stores expected to be opened in Shah Alam and Johor Bharu by this year. There are more locations in various stages of negotiations with landlords.

Aside from the Group’s continued expansion within its existing markets, Ng Yap is also excited at the prospects of its regional expansion plan in Indonesia, Thailand and Vietnam. Progress in its proposed joint venture with PT Sinar Eka Selaras Tbk, an Indonesia Stock Exchange public listed company and part of the larger Erajaya group of companies in Indonesia is on track and should be finalised soon. Both parties intend to expedite the opening of the retail outlets in Indonesia this year.

The Company is also in the midst of discussions with its other potential joint venture partners for its expansion and store openings in Thailand likely scheduled for next year. Management is confident that its business expansion model which leverages on the Group’s track record of partnering with global brands in providing the best golf retail experience to golf consumers together with a local partner with the know-how in these home markets will hold the Group’s future expansion plans in good stead.

“Given our well-established business-to-consumer brand, support from the global brands and future strategic joint venture partners, we are confident in successfully rolling out our business expansion plan for the next three years and beyond”, Ng Yap reiterated.

MST Golf was successfully listed on the Main Market of Bursa Malaysia Securities Berhad on 20 July 2023. Of the total primary proceeds raised, approximately 90% have been earmarked for opening and upgrading existing and new stores within the region. The Group currently has a total of 47 retail outlets – 39 in Malaysia, 8 in Singapore, of which three outlets are combined with its indoor golf facility and F&B, MST Golf Arena.

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About MST Golf

MST Golf is the largest chain of golf specialty retailer in Malaysia and has more than 40 retail outlets in Malaysia and Singapore. With retail as its backbone, MST Golf’s businesses also covers wholesale business, golf related services including golf coaching, golf academies, event/tournament management, corporate merchandising, club fitting and operating driving ranges. MST Golf is the distributor and retail partner of many global golf brands.

MST Golf also owns and operates MST Golf Arena, its indoor golf centre segment which merges entertainment, dining, and retail. Located at The Gardens Mall in Mid Valley City, Kuala Lumpur and at Tropicana Gardens Mall in Petaling Jaya, Selangor, its third outlet was officially opened recently at Gurney Paragon Mall in Georgetown, Penang. More info about MST Golf at www.mstgolfgroup.com

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