



DUFU TECHNOLOGY CORP. BERHAD

Registration No. 200201013949 (581612-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter (2nd Q)		Cumulative Quarter (6 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
Revenue	64,991	47,653	122,847	121,836
Cost of sales	(46,210)	(41,514)	(93,743)	(95,490)
Gross profit	18,781	6,139	29,104	26,346
Other operating income	1,960	7,677	7,828	9,458
General and administrative expenses	(8,700)	(7,730)	(17,445)	(15,436)
Profit from operations	12,041	6,086	19,487	20,368
Finance costs	(582)	(109)	(1,114)	(250)
Share of results of associate, net of tax	95	(438)	34	(190)
Profit before tax	11,554	5,539	18,407	19,928
Income tax expense	(3,130)	(2,220)	(5,558)	(5,727)
Profit net of tax	8,424	3,319	12,849	14,201
Profit attributable to:				
Owners of the parent	8,424	3,319	12,849	14,201
Non-controlling interests	-	-	-	-
	8,424	3,319	12,849	14,201
Basic earnings per share (sen)	1.6	0.6	2.4	2.7
Diluted earnings per share (sen)	1.6	0.6	2.4	2.7

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2023.

The accompanying notes are an integral part of this statement.



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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (2nd Q)		Cumulative Quarter (6 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	8,424	3,319	12,849	14,201
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	(856)	2,318	1,101	3,231
Total comprehensive income for the period	7,568	5,637	13,950	17,432
Total comprehensive income attributable to:				
Owners of the parent	7,568	5,637	13,950	17,432
Non-controlling interests	-	-	-	-
	7,568	5,637	13,950	17,432

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2023.

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NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (2nd Q)		Cumulative Quarter (6 months)	
	Current Period	Preceding Period	Current Period	Preceding Period
	Quarter	Corresponding	To Date	Corresponding
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest expense	582	109	1,114	250
(b) Interest income	(516)	(476)	(1,123)	(1,048)
(c) Depreciation and amortisation	3,056	2,800	6,108	5,575
(d) Expected credit losses for receivables	-	-	-	-
(e) (Reversal of)/Provision for and write off of inventories	800	-	800	-
(f) Loss/ (Gain) on disposal of property, plant and equipment	8	(82)	8	(82)
(g) Property, plant and equipment written off	5	1	9	2
(h) Realised foreign exchange gain	(655)	(4,131)	(3,974)	(1,659)
(i) Unrealised foreign exchange loss/ (gain)	764	(2,179)	51	(4,611)
(j) Fair value gains on financial instruments	(72)	(19)	(101)	(41)

The Notes to Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2023.

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**DUFU TECHNOLOGY CORP. BERHAD**Registration No. 200201013949 (581612-A)
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	(Unaudited) As at 30 June 2024	(Audited) As at 31 Dec 2023
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	144,524	129,055
RIGHT-OF-USE ASSETS	18,715	19,046
INVESTMENT IN ASSOCIATE	8,602	8,568
INVESTMENT IN CLUB MEMBERSHIP, AT COST	42	42
DEFERRED TAX ASSETS	766	764
	<u>172,649</u>	<u>157,475</u>
CURRENT ASSETS		
Inventories	69,151	68,430
Trade and other receivables	97,369	86,938
Current tax assets	357	1,330
Cash and bank balances	107,620	103,201
	<u>274,497</u>	<u>259,899</u>
TOTAL ASSETS	<u>447,146</u>	<u>417,374</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
SHARE CAPITAL	109,552	107,013
TREASURY SHARES	(3,452)	(3,452)
RESERVES	239,773	236,863
	<u>345,873</u>	<u>340,424</u>
NON- CONTROLLING INTERESTS	-	-
EQUITY FUNDS	<u>345,873</u>	<u>340,424</u>
NON-CURRENT LIABILITIES		
LOANS AND BORROWINGS	57,690	42,170
DEFERRED TAX LIABILITIES	2,366	2,456
	<u>60,056</u>	<u>44,626</u>
CURRENT LIABILITIES		
Loans and borrowings	6,789	5,172
Trade and other payables	31,914	25,749
Contract liability	823	1,044
Current tax liabilities	1,691	359
	<u>41,217</u>	<u>32,324</u>
TOTAL LIABILITIES	<u>101,273</u>	<u>76,950</u>
TOTAL EQUITY AND LIABILITIES	<u>447,146</u>	<u>417,374</u>
Net Assets per ordinary share (RM)	<u>0.65</u>	<u>0.64</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Report for the year ended 31 December 2023.

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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

	← Attributable to owners of the Company →					Non-controlling Interests	Total Equity	
	Share Capital	Treasury Shares	Other Reserves	Share Option Reserve	Retained Earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000			RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000			RM'000
Six Months Ended 30 June 2024								
At 1 January 2024	107,013	(3,452)	(13,441)	3,933	246,371	340,424	-	340,424
Total comprehensive income for the period:								
Profit for the period	-	-	-	-	12,849	12,849	-	12,849
Other comprehensive income for the period	-	-	1,101	-	-	1,101	-	1,101
	-	-	1,101	-	12,849	13,950	-	13,950
Transactions with owners:								
Dividends	-	-	-	-	(10,623)	(10,623)	-	(10,623)
Issue of shares pursuant to ESOS	2,122	-	-	-	-	2,122	-	2,122
Transfer from Share Options Reserve	417	-	-	(417)	-	-	-	-
Share Options granted/ vested under ESOS	-	-	-	-	-	-	-	-
Total transactions with owners:	2,539	-	-	(417)	(10,623)	(8,501)	-	(8,501)
At 30 June 2024	109,552	(3,452)	(12,340)	3,516	248,597	345,873	-	345,873
								-
Six Months Ended 30 June 2023								
At 1 January 2023	106,671	(3,452)	(16,575)	3,494	250,560	340,698	-	340,698
Total comprehensive income for the period:								
Profit for the period	-	-	-	-	14,201	14,201	-	14,201
Other comprehensive income for the period	-	-	3,231	-	-	3,231	-	3,231
	-	-	3,231	-	14,201	17,432	-	17,432
Transactions with owners:								
Dividends	-	-	-	-	(21,213)	(21,213)	-	(21,213)
Issue of shares pursuant to ESOS	218	-	-	-	-	218	-	218
Transfer from Share Options Reserve	124	-	-	(124)	-	-	-	-
Share Options granted/ vested under ESOS	-	-	-	-	-	-	-	-
Acquisition of shares from non-controlling interests	-	-	-	-	-	-	-	-
Total transactions with owners:	342	-	-	(124)	(21,213)	(20,995)	-	(20,995)
At 30 June 2023	107,013	(3,452)	(13,344)	3,370	243,548	337,135	-	337,135

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Report for the year ended 31 December 2023.

The accompanying notes are an integral part of this statement.



**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	6 months ended 30 June 2024	6 months ended 30 June 2023
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	18,407	19,928
Adjustments for:		
Depreciation	6,108	5,575
Fair value gains on financial instruments	(101)	(41)
Interest income	(1,123)	(1,048)
Interest expense	1,114	250
Inventories written (back)/down	800	-
Loss/ (Gain) on disposal of property, plant and equipment	8	(82)
Plant and equipment written off	9	2
Share of results of associate	(34)	190
Unrealised loss/ (gain) on foreign exchange	51	(4,611)
Total adjustments	6,832	235
Operating cash flows before changes in working capital	25,239	20,163
Changes in working capital		
Net change in current assets	(12,003)	(1,130)
Net change in current liabilities	6,001	(49)
Total changes in working capital	(6,002)	(1,179)
Cash flows from operations	19,237	18,984
Tax paid	(3,353)	(8,463)
Net cash flow generated from operating activities	15,884	10,521
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(21,013)	(4,811)
Interest and fund distributions received	1,224	1,089
Proceeds from disposal of plant and equipment	-	82
Net cash used in investing activities	(19,789)	(3,640)
FINANCING ACTIVITIES		
Repayment of term loans	(2,952)	(1,455)
Repayment of finance lease liabilities	(95)	(193)
Dividends paid to shareholders	(10,623)	(21,213)
Proceeds from issuance of shares	2,122	218
Net drawdown of term loan	20,000	-
Changes in bank balance pledged as security	-	159
Interest paid	(1,114)	(250)
Net repayment of short term borrowings	-	(7,938)
Net cash generated from/ (used in) financing activities	7,338	(30,672)
NET INCREASE/ (DECREASE) IN CASH AND CASH CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	3,433	(23,791)
Effects of exchange rate changes	986	4,068
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	107,620	88,024
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	69,796	81,067
Short-term funds - at fair value	4,472	2,305
Term deposits	33,352	4,652
	107,620	88,024
Bank balance pledged as security	-	-
Cash and bank balances	107,620	88,024

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Report for the year ended 31 December 2023.

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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

NOTES TO THE INTERIM FINANCIAL REPORT

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). These interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2023. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

2. Significant accounting policies

The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2023 except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 January 2024:

- (i) Amendments/Improvements to MFRSs
 - MFRS 16 *Lease Liability in a Sales and Leaseback*
 - MFRS 101 *Classification of Liabilities as Current and Non-current*
 - MFRS 107 and MFRS 7 *Supplier Finance Arrangements*

The adoption of the above standards and interpretations did not have any material effect on the financial performance or position of the Group.



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The standards and interpretations that are issued but not yet effective up to the date of issuance of these condensed consolidated interim financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after	
<u>Amendments/Improvements to MFRSs</u>		
MFRS 10	<i>Consolidated Financial Statements</i>	Deferred
MFRS 128	<i>Investments in Associates and Joint Ventures</i>	Deferred
MFRS 121	<i>The Effects of Changes in Foreign Exchange Rates</i>	1 January 2025
MFRS 18 *	<i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures	<i>Amendments to the classification and Measurement of Financial Instruments</i>	1 January 2026

* MFRS 101 shall hereby be withdrawn on the application of MFRS 18.

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application.

3. Significant Accounting Estimates And Judgements

(a) Critical Judgements Made in Applying Accounting Policies

There are no critical judgements made by management in the process of applying the Group's accounting policies that have significant effect on the amounts recognized in the financial statements.

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Depreciation of plant and equipment

The cost of Computer Numerical Control (“CNC”) machining is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be within ten years. These are common life



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NOTES TO THE INTERIM FINANCIAL REPORT

expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2023 was not subject to any audit qualification.

5. Seasonal or cyclical factors

The Group's business operations were not materially affected by any major seasonal or cyclical factors.

6. Unusual items

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

7. Changes in estimates

There were no material changes in estimates of amount reported in prior interim period or financial period that have a material effect in the current year.

8. Debt and equity securities

There was no issuance or repayment of debt and equity securities, share buy-backs and share cancellations for the current financial period except for the following:

As at 30 June 2024, a total of 1,294,000 new ordinary shares were issued pursuant to the exercise of the Company's Employees Share Options Scheme ("ESOS"). Details of the issued and paid-up capital of the Company as at 30 June 2024 are as follows:

	No. of shares	RM'000
As at 1 January 2024	544,125,734	107,013
Ordinary Shares issued pursuant to the ESOS		
(i) Cash receipts from exercise of ESOS	1,294,000	2,122
(ii) Transfer from Share Options Reserve	-	417
As at 30 June 2024	545,419,734*	109,552

*Inclusive of 13,792,488 Ordinary Shares held as treasury shares.



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NOTES TO THE INTERIM FINANCIAL REPORT

9. Dividend paid

A single tier final dividend of 2 sen per share for the year ended 31 December 2023 was paid on 14 June 2024.

10. Valuation of property, plant and equipment

There was no valuation of property, plant and equipment in the current quarter under review and financial year-to-date.

11. Significant and subsequent events to the balance sheet date

There were no significant and subsequent events at the end of the financial period ended 30 June 2024 that have not been reflected in the interim financial statements as at the date of this report.

12. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial period to date.

13. Changes in corporate guarantees, contingent liabilities or contingent assets

As at 30 June 2024, the Group has no material contingent liabilities save for corporate guarantee of RM102.1 million issued by the Company in respect of banking facilities granted to the subsidiary companies.

14. Related party transactions

The Board is of the opinion that there is no related party transaction which would have a material impact on the financial position and the business of the Group for the current financial year.

15. Segment reporting

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to single operating segment, namely precision machining of industrial products and manufacturing of high-quality computer disk-drive related components.

The segmental information of the Group is presented by geographical segments. The geographical segments are based on the location of the assets and these are:

- (i) Malaysia
- (ii) Singapore
- (iii) China

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Segment information for the period ended 30 June 2024 are as follows:

	Malaysia RM'000	Singapore RM'000	China RM'000	Eliminations RM'000	Total RM'000
Revenue	119,706	84,955	22,169	(103,983)	122,847
EBDITA *	37,535	(2,138)	609	(10,411)	25,595
Depreciation	(3,729)	(53)	(2,326)	-	(6,108)
Profit/(Loss)					
from operation	33,806	(2,191)	(1,717)	(10,411)	19,487
Finance costs	(90)	(4)	(1,020)	-	(1,114)
Share of results of associate	34	-	-	-	34
PBT **	33,750	(2,195)	(2,737)	(10,411)	18,407

As at 30 June 2024

Total assets	463,255	101,763	135,247	(253,119)	447,146
Total liabilities	64,007	72,768	60,795	(96,297)	101,273

Segment information for the period ended 30 June 2023 are as follows:

	Malaysia RM'000	Singapore RM'000	China RM'000	Eliminations RM'000	Total RM'000
Revenue	101,881	90,333	20,813	(91,191)	121,836
EBDITA *	45,608	1,302	(906)	(20,061)	25,943
Depreciation	(3,960)	(51)	(1,564)	-	(5,575)
Profit					
from operation	41,648	1,251	(2,470)	(20,061)	20,368
Finance costs	(244)	(6)	-	-	(250)
Share of results of associate	(190)	-	-	-	(190)
PBT **	41,214	1,245	(2,470)	(20,061)	19,928

As at 30 June 2023

Total assets	407,835	85,460	123,199	(206,700)	409,794
Total liabilities	28,543	55,207	48,744	(59,835)	72,659

* EBDITA – Earnings/(Loss) Before Depreciation, Interest expenses, Tax and Amortisation

** PBT - Profit/(Loss) Before Tax

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FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024****NOTES TO THE INTERIM FINANCIAL REPORT****PART B: EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING
REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A****16. Review of performance**

i) Comparison between current year quarter with corresponding quarter:

Current Period Quarter – 30 June 2024

	Malaysia RM'000	Singapore RM'000	China RM'000	Eliminations RM'000	Total RM'000
Revenue	65,939	45,532	12,764	(59,244)	64,991
EBDITA *	24,915	(982)	1,590	(10,426)	15,097
Depreciation	(1,871)	(27)	(1,158)	-	(3,056)
Profit/ (Loss) from operation	23,044	(1,009)	432	(10,426)	12,041
Finance costs	(82)	(2)	(498)	-	(582)
Share of results of associate	95	-	-	-	95
PBT **	23,057	(1,011)	(66)	(10,426)	11,554

Preceding Period Quarter – 30 June 2023

	Malaysia RM'000	Singapore RM'000	China RM'000	Eliminations RM'000	Total RM'000
Revenue	32,589	32,218	9,370	(26,524)	47,653
EBDITA *	30,067	386	(1,340)	(20,227)	8,886
Depreciation	(1,981)	(26)	(793)	-	(2,800)
Profit from operation	28,086	360	(2,133)	(20,227)	6,086
Finance costs	(106)	(3)	-	-	(109)
Share of results of associate	(438)	-	-	-	(438)
PBT **	27,542	357	(2,133)	(20,227)	5,539

* EBDITA – Earnings/(Loss) Before Depreciation, Interest expenses, Tax and Amortisation

** PBT - Profit/(Loss) Before Tax



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Group

Group revenue for the quarter ended 30 June 2024 was RM65.0 million compared with RM47.7 million for the quarter ended 30 June 2023, an increase of 36.4%. The increase in revenue was mainly due to the increase in revenue related to Hard Disk Drives (“HDD”) components.

The Group’s Profit Before Taxation for the quarter ended 30 June 2024 increased to RM11.6 million from RM5.5 million registered in the previous year corresponding financial quarter ended 30 June 2023. The increase in profit before taxation was mainly due to the increase in revenue.

- i. Comparison between current period with corresponding period:

Current Period – 30 June 2024

	Malaysia RM’000	Singapore RM’000	China RM’000	Eliminations RM’000	Total RM’000
Revenue	119,706	84,955	22,169	(103,983)	122,847
EBDITA *	37,535	(2,138)	609	(10,411)	25,595
Depreciation	(3,729)	(53)	(2,326)	-	(6,108)
Profit					
from operation	33,806	(2,191)	(1,717)	(10,411)	19,487
Finance costs	(90)	(4)	(1,020)	-	(1,114)
Share of results of associate	34	-	-	-	34
PBT **	33,750	(2,195)	(2,737)	(10,411)	18,407

Preceding Period - 30 June 2023

	Malaysia RM’000	Singapore RM’000	China RM’000	Eliminations RM’000	Total RM’000
Revenue	101,881	90,333	20,813	(91,191)	121,836
EBDITA *	45,608	1,302	(906)	(20,061)	25,943
Depreciation	(3,960)	(51)	(1,564)	-	(5,575)
Profit					
from operation	41,648	1,251	(2,470)	(20,061)	20,368
Finance costs	(244)	(6)	-	-	(250)
Share of results of associate	(190)	-	-	-	(190)
PBT **	41,214	1,245	(2,470)	(20,061)	19,928

* EBDITA - Earnings Before Depreciation, Interest expenses, Tax and Amortisation

** PBT - Profit/(Loss) Before Tax



DUFU TECHNOLOGY CORP. BERHAD

Registration No. 200201013949 (581612-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

NOTES TO THE INTERIM FINANCIAL REPORT

Group

The Group's revenue for the period ended 30 June 2024 was RM122.8 million compared with RM121.8 million for the period ended 30 June 2023.

The Group's profit before taxation for the period ended 30 June 2024 decreased to RM18.4 million from RM19.9 million registered in the previous financial period ended 30 June 2023. The decrease in profit before taxation was mainly due to lower foreign exchange gain of RM3.9 million recorded in current period compared to foreign exchange gain of RM6.3 million in the previous year corresponding period.

17. Comparison with immediate preceding quarter's results

	Individual quarter ended		Variance	
	30.06.2024	31.03.2024		
	RM'000	RM'000	RM'000	%
Revenue	64,991	57,856	7,135	12.3
Profit before tax	11,554	6,853	4,701	68.6

Revenue for the quarter ended 30 June 2024 increased by RM7.1 million or 12.3% while Profit before Taxation increased by RM4.7 million for the current quarter as compared to the preceding quarter. The increased in profit before taxation was mainly due to the increase in revenue.

18. Prospects

In 2023, the market cycle for Hard Disk Drives reached its lowest point. As we advance through the third quarter of 2024, our Group is navigating the tail end of an unprecedented downturn in the storage market. However, within our key operational domains - precision machining of Hard Disk Drives and production of Sheet Metal and Stamping equipment and components - we are witnessing a modest increase in demand.

We believe that global semiconductor sales are picking up and, coupled with a resurgence in the memory sector, suggest the potential onset of a new growth cycle, especially among local manufacturers who typically lag behind global semiconductor players. This positive momentum is supported by the conclusion of inventory adjustments and heightened demand in electronics and AI-related applications.

As we navigate the dynamic market landscape, we are confident that the toughest phase is now behind us, and we remain dedicated to seizing these growing opportunities, aiming to cultivate sustained growth for the Group.

**DUFU TECHNOLOGY CORP. BERHAD**Registration No. 200201013949 (581612-A)
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FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024****NOTES TO THE INTERIM FINANCIAL REPORT****19. Variance of actual profit from profit forecast**

Not applicable.

20. Taxation

	Current Quarter 3 months ended 30 June 2024 RM'000	Year-to-date 6 months ended 30 June 2024 RM'000
Income tax		
Current year	3,228	5,649
Prior year	-	-
	<hr/>	<hr/>
	3,228	5,649
Deferred tax		
Current year	(98)	(91)
Prior year	-	-
	<hr/>	<hr/>
	3,130	5,558

21. Status on corporate proposals

There were no corporate proposals for the current financial period to date.

22. Group borrowings

The Group's borrowings as at the end of the reporting quarter are as follows:

	Short-term (Secured) RM'000	Long-term (Secured) RM'000	Total borrowings RM'000
Finance lease liabilities	40	163	203
Term loans	6,749	57,527	64,276
Total	<hr/>	<hr/>	<hr/>
	6,789	57,690	64,479



DUFU TECHNOLOGY CORP. BERHAD

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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

NOTES TO THE INTERIM FINANCIAL REPORT

22. Group borrowings (cont'd)

The Group borrowings are dominated in the following currencies:

	RM'000
Ringgit Malaysia	24,052
RMB	40,224
SGD	203
Total borrowings	<u>64,479</u>

23. Derivatives financial instruments

There were no outstanding derivatives financial instruments entered into by the Group as at the date of this quarterly report.

24. Material litigation

There was no pending material litigation as at the date of this quarterly report.

25. Dividend

A single tier interim dividend of 1.5 sen in respect of the financial year ending 31 December 2024 has been declared on 30 July 2024 and is to be paid on 20 September 2024 to depositors registered in the records of Depositors at the close of business on 30 August 2024. The interim report does not reflect this dividend. Such dividend will be accounted for in equity as appropriation of retained earnings in the quarter ending 30 September 2024. In the corresponding period, a single tier interim dividend of 1.5 sen in respect of the financial year ended 31 December 2023 was paid on 22 September 2023.

A single tier final dividend of 2 sen for the year ended 31 December 2023 was paid to shareholders on 14 June 2024. In the corresponding period, a single tier final dividend of 4 sen in respect of the financial year ended 31 December 2022 was paid to the shareholders on 16 June 2023.

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**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

NOTES TO THE INTERIM FINANCIAL REPORT**26. Earnings per share**

Earnings per share is calculated by dividing the net profit for the quarter/period by the weighted average number of ordinary shares during the financial quarter/period.

	3 Months Quarter Ended 30 June		6 Months Period Ended 30 June	
	2024	2023	2024	2023
Net profit attributable to shareholders (RM'000)	8,424	3,319	12,849	14,201
Weighted average number of ordinary shares in issue ('000) for basic earnings per share	531,147	530,333	530,822	530,177
Basic earnings per share (sen)	1.6	0.6	2.4	2.7
<hr/>				
Weighted average number of ordinary shares in issue ('000) for diluted earnings per share	531,811	530,431	531,550	530,378
Diluted earnings per share (sen)	1.6	0.6	2.4	2.7

DATED THIS 30th DAY OF JULY, 2024