

# REX INDUSTRY BHD

(Incorporated in Malaysia) Com. No. 199301027926 (282664-K)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024 ( Unaudited )

	<i>As at</i> 31/03/2024	<i>As at</i> 30/06/2023
	<i>RM'000</i>	<i>RM'000</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	52,602	52,239
Right-of-use assets	5,128	5,577
Investment properties	5,451	5,506
Goodwill on consolidation	7,037	7,037
	<hr/> 70,218	<hr/> 70,359
<b>Current assets</b>		
Inventories	52,234	58,046
Trade and other receivables	31,431	31,549
Tax recoverable	765	187
Cash and cash equivalents	13,351	18,364
	<hr/> 97,781	<hr/> 108,146
<b>Total assets</b>	<hr/> <b>167,999</b>	<hr/> <b>178,505</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	113,717	113,717
Warrant reserve	2,093	2,093
Other reserve	(2,093)	(2,093)
Translation reserve	(2,915)	(1,569)
Accumulated losses	(10,508)	(8,586)
<b>Total equity</b>	<hr/> 100,294	<hr/> 103,562
<b>Non-current liabilities</b>		
Borrowings	7,094	8,179
Deferred tax liabilities	1,467	1,477
Lease liabilities	260	478
	<hr/> 8,821	<hr/> 10,134
<b>Current Liabilities</b>		
Borrowings	18,629	23,587
Trade and other payables	37,373	37,620
Contract liabilities	2,754	3,296
Lease liabilities	128	226
Tax payable	-	80
	<hr/> 58,884	<hr/> 64,809
<b>Total liabilities</b>	<hr/> 67,705	<hr/> 74,943
<b>Total equity and liabilities</b>	<hr/> <b>167,999</b>	<hr/> <b>178,505</b>
<b>Net assets per share (RM)</b>	0.15	0.16
	-	-

The condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and audited financial statements for the year ended 30 June 2023.

# REX INDUSTRY BHD

(Incorporated in Malaysia) Com. No. 199301027926 (282664-K)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2024 ( Unaudited )

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Quarterly ended		Changes %	Period ended		Changes %
	31/03/2024	31/03/2023		31/03/2024	31/03/2023	
	RM'000	RM'000		RM'000	RM'000	
<b>Continuing operations</b>						
Revenue	35,603	36,077	-1%	102,499	125,135	-18%
Operating loss	(136)	(1,193)	-89%	(640)	(3,702)	-83%
Interest expense	(383)	(400)	-4%	(1,316)	(1,153)	14%
<b>Loss before tax</b>	<b>(519)</b>	<b>(1,593)</b>	<b>-67%</b>	<b>(1,956)</b>	<b>(4,855)</b>	<b>-60%</b>
Income tax expense	27	(217)	-112%	34	(784)	-104%
<b>Net Loss for the period</b>	<b>(492)</b>	<b>(1,810)</b>	<b>-73%</b>	<b>(1,922)</b>	<b>(5,639)</b>	<b>-66%</b>
<b>Other comprehensive income/(loss), net of tax</b>						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation	427	1,237		(1,346)	(704)	
<b>Total other comprehensive income/(loss) for the period</b>	<b>427</b>	<b>1,237</b>		<b>(1,346)</b>	<b>(704)</b>	
<b>Total comprehensive income/(loss) for the period</b>	<b>(65)</b>	<b>(573)</b>		<b>(3,268)</b>	<b>(6,343)</b>	
<b>Loss for the period attributable to :</b>						
Owners of the parent	(492)	(1,810)		(1,922)	(5,639)	
<b>Total comprehensive income/(loss) attributable to :</b>						
Owners of the parent	(65)	(573)		(3,268)	(6,343)	
<b>Basic and diluted loss per ordinary share (sen)</b>	<b>(0.07)</b>	<b>(0.29)</b>		<b>(0.29)</b>	<b>(0.91)</b>	

The condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and audited financial statements for the year ended 30 June 2023.

# REX INDUSTRY BHD

(Incorporated in Malaysia) Com. No. 199301027926 (282664-K)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2024 ( Unaudited )

	← Non-distributable →				Accumulated losses RM'000	Total equity RM'000
	Share capital RM'000	Translation reserve RM'000	Warrant reserve RM'000	Other reserve RM'000		
<b>At 1 July 2022</b>	97,903	(3,667)	-	-	35,478	129,714
Foreign currency translation difference for foreign operations	-	(704)	-	-	-	(704)
<b>Total other comprehensive income/(loss) for the year</b>	-	(704)	-	-	-	(704)
Loss for the financial year	-	-	-	-	(5,639)	(5,639)
Total comprehensive income/(loss) for the year	-	(704)	-	-	(5,639)	(6,343)
Transaction with owners of the company:						
Issuance of ordinary shares	15,814	-	2,093	(2,093)	-	15,814
	15,814	-	2,093	(2,093)	-	15,814
<b>At 31 March 2023</b>	113,717	(4,371)	2,093	(2,093)	29,839	139,185
<b>At 1 July 2023</b>	113,717	(1,569)	2,093	(2,093)	(8,586)	103,562
Foreign currency translation difference for foreign operations	-	(1,346)	-	-	-	(1,346)
<b>Total other comprehensive income/(loss) for the period</b>	-	(1,346)	-	-	-	(1,346)
Loss for the financial period	-	-	-	-	(1,922)	(1,922)
Total comprehensive income/(loss) for the period	-	(1,346)	-	-	(1,922)	(3,268)
<b>At 31 March 2024</b>	113,717	(2,915)	2,093	(2,093)	(10,508)	100,294

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements for the year ended 30 June 2023.

# REX INDUSTRY BHD

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024 ( Unaudited )

	<i>Current Period-to-date Period Ended 31/03/2024 RM'000</i>	<i>Preceding Period-to-date Period Ended 31/03/2023 RM'000</i>
<b>Cash flows from operating activities</b>		
<b>Loss before tax</b>	(1,956)	(4,855)
Adjustments for :		
Depreciation of property, plant and equipment	1,524	3,454
Depreciation of right-of-use assets	183	319
Depreciation of investment properties	55	-
Gain on lease termination	(9)	-
Interest expense	1,316	1,153
Interest income	(94)	(90)
Reversal of impairment loss on property, plant and equipment	-	(9)
Reversal of allowance for inventories obsolescences	-	(6)
Unrealised loss on foreign exchange	251	91
<b>Operating profit before changes in working capital</b>	1,270	57
<b>Changes in working capital :</b>		
Inventories	4,017	(6,412)
Receivables	(682)	4,504
Payables	366	(2,575)
Cash generated from/(used in) operations	4,971	(4,426)
Interest received	94	90
Interest paid	(1,316)	(1,153)
Tax paid	(635)	(874)
<b>Net cash from/(used in) operating activities</b>	3,114	(6,363)
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(2,315)	(2,093)
<b>Net cash used in investing activities</b>	(2,315)	(2,093)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	-	15,814
(Repayment)/Drawdown of bank borrowings	(6,290)	4,821
Payment for the principal portion of lease liabilities	(79)	(219)
<b>Net cash (used in)/from financing activities</b>	(6,369)	20,416
<b>Net (decrease)/increase in cash and cash equivalents</b>	(5,570)	11,960
<b>Cash and cash equivalents at the beginning of the financial period</b>	16,292	7,507
<b>Effect of exchange rate changes on cash and bank balances</b>	310	123
<b>Cash and cash equivalents at end of the financial period</b>	11,032	19,590

# REX INDUSTRY BHD

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024 ( Unaudited )

Cash and cash equivalents comprise of the following:-

	31/03/2024 RM'000	31/03/2023 RM'000
Cash and bank balances	3,344	12,912
Fixed deposit with licensed bank	937	1,255
Money market deposit	9,070	7,102
	<hr/>	<hr/>
	13,351	21,269
Less: Bank overdrafts	(2,319)	(1,679)
	<hr/>	<hr/>
	11,032	19,590

The condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and audited financial statements for the year ended 30 June 2023.

# REX INDUSTRY BHD

(Incorporated in Malaysia) Com. No. 199301027926 (282664-K)

## SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024 (Unaudited)

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### 1. Basis of preparation

This condensed consolidated interim financial report is unaudited and has been prepared in compliance with Malaysian Financial Reporting Standard ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2023. These explanatory notes attached to the interim financial report 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 30 June 2023. The condensed consolidated interim financial statements and notes do not include all of the information required for full set of financial statement prepared in accordance with MFRS.

The Group and the Company have also considered the new accounting pronouncements in the preparation of the financial statements.

#### a) Accounting pronouncements that are effective and adopted during the financial year

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transactions and International Tax Reform - Pillar Two Model Rules

The adoption of the above did not have any significant effect on the financial statements of the Group and of the Company.

#### b) Accounting pronouncements that are issued but not yet effective and have not been early adopted

The Group and the Company have not adopted the following accounting pronouncements that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

		Effective Date after
Amendments to MFRS 107 and MFRS 7	Disclosures – Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	Effective date to be announced

The Group and the Company will adopt the above accounting pronouncements when they become effective in the respective financial year. These accounting pronouncements are not expected to have any effect to the financial statements of the Group and of the Company upon their initial application.

### 2. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 June 2023 was not qualified.

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## SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024 ( Unaudited )

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### 3. Seasonality of operations

The business of the Group was not affected by any significant seasonal or cyclical factors in the current quarter.

### 4. Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence in the current quarter and the financial period-to-date.

### 5. Material changes in estimates

There were no significant changes in the nature and amount of estimates used in prior interim reporting or prior financial years that have a material effect on the current quarter and financial period-to-date.

### 6. Issuances and repayment of debt and equity securities

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

### 7. Dividends paid

No dividend was paid during the current quarter.

### 8. Segmental information

In presenting geographical information, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets. The amounts of non-current assets do not include financial instruments and deferred tax assets.

Geographical information	Revenue RM'000	Non-current assets RM'000
Period ended 31 March 2024		
Malaysia	45,932	47,626
United States of America	39,610	-
Europe	11,702	-
Africa	785	-
Asia (Excludes Malaysia)	4,470	22,592
Consolidated	<u>102,499</u>	<u>70,218</u>

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## SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024 ( Unaudited )

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### 9. Carrying amount of revaluation assets

The valuation of property, plant and equipment have been brought forward without amendments from the financial statements for the year ended 30 June 2023.

### 10. Material events subsequent to the end of the reporting period

There were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial report.

### 11. Changes in the composition of the Group

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

### 12. Changes in contingent liabilities or contingent assets

	31/03/2024 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	<u>25,722</u>

### 13. Capital commitment

Authorised capital expenditure not provided for in the interim financial report at the end of the current quarter under review is as follows:

	31/03/2024 RM'000
<b>Approved and contracted for:</b>	
- Machineries	<u>123</u>

### 14. Significant related party transactions

The Group carried out the following significant transactions with the related parties during the current quarter:

	Individual Quarter Quarter Ended		Cumulative Quarter Period Ended	
	31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
<b>Services from related parties</b>				
- Providing of vehicle fleet management services	31	24	94	63
- Transportation, freight handling services and warehouse management	1,015	1,551	2,862	4,276
- Purchase of tickets and tour arrangement	10	16	42	59



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## SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024 (Unaudited)

### 15. Review of earnings and / or revenue of the Company and its subsidiaries for current quarter and financial period-to-date

	3 months ended 31/03/2024 RM'000	3 months ended 31/03/2023 RM'000
Revenue	35,603	36,077
Loss before tax	(519)	(1,593)

The Group recorded a 1.3% reduction in revenue to RM35.6 million for the 3rd quarter ended 31 March 2024 from RM36.1 million in the corresponding quarter last year. The decline in revenue was mainly due to weaker demand from overseas market of our Indonesian subsidiary during the quarter under review.

The Group recorded lower loss before tax of RM0.5 million compared to loss before tax of RM1.6 million incurred in the corresponding quarter last year. The lower loss was mainly attributed to the continuance operational efficiencies and cost control initiatives instituted from the business rationalisation plan.

### 16. Material change in Loss Before Taxation reported on as compared with the immediate preceding quarter

	3 months ended 31/03/2024 RM'000	3 months ended 31/12/2023 RM'000
Revenue	35,603	29,593
Loss before tax	(519)	(1,054)

The Group recorded a 20.3% increase in revenue to RM35.6 million for the 3rd quarter ended 31 March 2024 from RM29.6 million in the corresponding quarter. The grow in revenue was mainly due to higher demand from festive sales (Chinese New Year and prior to the Hari Raya festival) in the local market for Malaysian subsidiary in the current quarter under review.

The loss before tax that the Group recorded of RM0.5 million as compared to loss before tax of RM1.0 million in the preceding quarter was mainly due to operational efficiencies and better sales of both subsidiaries.

### 17. Current year prospects

The Group expects the business environment in the remaining year to remain challenging due to continued weakening of the Ringgit, lower consumer demand being impacted by inflationary pressures and rising costs of raw materials such as cocoa powder, sugar & etc.

The Group will continue to focus on improving our performance through products innovation, new product launches, improving operational efficiency, adopting cost saving measures and broadening the distribution network to grow the Group's revenue and profitability.

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## SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024 ( Unaudited )

### 18. Variance of actual and forecast profit

Not applicable as no profit forecast was published.

### 19. Tax expense

	Individual Quarter Quarter Ended		Cumulative Quarter Period Ended	
	31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
<b>Current income tax</b>				
Overseas	24	(221)	24	(795)
	<u>24</u>	<u>(221)</u>	<u>24</u>	<u>(795)</u>
<b>Deferred tax</b>				
Reversal of temporary differences	3	4	10	11
	<u>27</u>	<u>(217)</u>	<u>34</u>	<u>(784)</u>

The disproportionate tax charge in relation to the results of the Group for the current financial period to date was mainly due to no Group tax relief for losses incurred by certain subsidiaries.

### 20. Status of corporate proposals announced

The Group had on 10 November 2023, announced that the Group entered into a conditional sales and purchase agreement for the disposal of the land and buildings located at plot 125 and plot 126, Jalan Perindustrian Bukit Minyak 5, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Seberang Perai, Pulau Pinang for a total disposal consideration of RM41.80 million ("Proposed Disposal").

The Proposed Disposal is subject to the following approvals being obtained:-

- (i) shareholders of Rex at an extraordinary general meeting to be convened;
- (ii) the consent of the Penang Development Corporation and Penang State Authority; and
- (iii) any other relevant authorities/ parties, if required.

There were no other corporate proposals that have been announced by the Company as at the date of this announcement.

### 21. Utilisation of proceeds raised from corporate proposal

The Company had on 30 August 2022 completed a Renounceable Rights Issue of 164,417,645 new ordinary shares on the basis of 1 Rights Shares for every 3 existing Rex Shares held together with 54,805,881 free detachable Warrants on the basis of 1 Warrant for every 3 Rights Shares subscribed on the main board of Bursa Securities. The Renounceable Rights Issue with warrants had raised a gross proceeds of RM16.44 million. Status of utilisation of proceeds derived from the corporate proposal by the company as at the end of the reporting period are as follows:-

Details of utilisation	Proposed utilisation	Actual utilisation	Unutilised proceeds	Timeframe for utilisation after extension of time
	RM'000	RM'000	RM'000	
Business expansion	10,000	(4,456)	5,544	within 30 months
Working capital	5,882	(5,882)	-	
Expenses for corporate exercise	560	(560)	-	
	<u>16,442</u>	<u>(10,898)</u>	<u>5,544</u>	

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## SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024 ( Unaudited )

### 22. Group borrowings

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

	Payable within 12 months RM'000	Payable after 12 months RM'000
<b>As at 31 March 2024</b>		
<b>Denominated in RM</b>		
Bank overdraft	2,319	-
Bankers' acceptance	6,638	-
Revolving credit	-	-
Term loans	1,366	7,094
<b>Denominated in USD</b>		
Bankers' acceptance	8,306	-
	<u>18,629</u>	<u>7,094</u>
<b>As at 30 June 2023</b>		
<b>Denominated in RM</b>		
Bank overdraft	2,073	-
Bankers' acceptance	7,870	-
Revolving credit	3,000	-
Term loans	1,174	8,179
<b>Denominated in USD</b>		
Bankers' acceptance	9,470	-
	<u>23,587</u>	<u>8,179</u>

### 23. Changes in material litigation

There were no material litigations at the date of this interim financial report.

### 24. Dividends

The Board of directors did not recommend any dividend in respect of the financial period ended 31 March 2024.

### 25. Loss before tax

	Individual Quarter Quarter Ended		Cumulative Quarter Period Ended	
	31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
Loss before tax is arrived at after charging/(crediting):				
Depreciation of property, plant and equipment	524	1,212	1,524	3,454
Depreciation of right-of-use assets	63	108	183	319
Depreciation of investment properties	28	-	55	-
Gain on lease termination	(9)	-	(9)	-
Interest expense	383	400	1,316	1,153
Interest income	(27)	(41)	(94)	(90)
Realised (gain)/loss on foreign exchange	(49)	(92)	55	292
Reversal of impairment on property, plant and equipment	-	(9)	-	(9)
Reversal of allowance for inventories obsolescences	-	(6)	-	(6)
Unrealised (gain)/loss on foreign exchange	(31)	76	251	91

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## SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024 ( Unaudited )

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### 26. Earnings per ordinary share

The earnings per share was computed based on the net loss attributable to ordinary shareholders divided by the weighted average number of ordinary shares.

	Individual Quarter Quarter Ended		Cumulative Quarter Period Ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
<b>Basic loss per share:</b>				
Loss after tax attributable to owners of the Company (RM'000)	(492)	(1,810)	(1,922)	(5,639)
Weighted average number of shares in issue ('000)	657,671	621,066	657,671	621,066
Basic loss per share (sen)	(0.07)	(0.29)	(0.29)	(0.91)

The diluted loss per share of the Group is similar to the basic loss per share as the Group does not have any material potential dilutive ordinary shares in issue.