



MST GOLF GROUP BERHAD

Registration No. 199301009307 (264044-M)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2025**

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2025**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	CURRENT QUARTER		YEAR-TO-DATE	
		30.06.2025	30.06.2024	30.06.2025	30.06.2024
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	75,255	81,731	144,402	158,737
Cost of sales		(44,857)	(47,640)	(86,889)	(93,220)
Gross profit		30,398	34,091	57,513	65,517
Other income		1,280	759	1,759	3,447
Administrative and other expenses		(26,885)	(28,913)	(52,683)	(58,096)
Selling and distribution expenses		(2,207)	(1,789)	(3,922)	(3,611)
Operating profit		2,586	4,148	2,667	7,257
Finance cost		(1,618)	(1,995)	(3,464)	(3,791)
Finance income		213	236	447	630
Profit/(Loss) before tax	B5	1,181	2,389	(350)	4,096
Tax expense	B6	(1,055)	(1,056)	(1,356)	(1,734)
Profit/(Loss) for the financial period		126	1,333	(1,706)	2,362
Equity attributable to equity owners					
Other comprehensive income: -					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation		(2,538)	(1,419)	(3,843)	(1,726)
Other comprehensive loss for the financial period		(2,538)	(1,419)	(3,843)	(1,726)
Total comprehensive (loss)/income for the financial period		(2,412)	(86)	(5,549)	636
Profit/(Loss) for the financial period attributable to: -					
Owners of the Company		364	1,501	(741)	2,983
Non-controlling interests		(238)	(168)	(965)	(621)
		126	1,333	(1,706)	2,362
Total comprehensive (loss)/income attributable to: -					
Owners of the Company		(707)	695	(2,457)	1,856
Non-controlling interests		(1,705)	(781)	(3,092)	(1,220)
		(2,412)	(86)	(5,549)	636
Basic earnings per share ("Basic EPS") (sen)	B12	0.04	0.18	(0.09)	0.36

The Condensed Consolidated Statement 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 2024 and the accompanying explanatory notes attached to the interim financial report.

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2025**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited as at 30.06.2025 RM'000	Audited as at 31.12.2024 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		54,540	57,963
Right-of-use assets		55,092	60,946
Intangible assets		1,417	1,417
Other receivables		1,053	1,118
Other Investment		17	17
Deferred tax assets		670	704
Total non-current assets		112,789	122,165
Current assets			
Inventories		175,076	165,754
Trade receivables		7,555	3,634
Other receivables		20,252	16,379
Tax recoverable		4,517	5,653
Other investment ⁽¹⁾		36,162	27,804
Fixed deposits with licensed banks		20,520	23,745
Cash and bank balances		14,571	32,308
Total current assets		278,653	275,277
TOTAL ASSETS		391,442	397,442
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to equity owners of the Company: -			
Share capital		165,902	165,902
Foreign exchange reserve		(1,806)	(90)
Retained earnings		65,207	65,948
		229,303	231,760
Non-controlling interests		25,387	19,835
TOTAL EQUITY		254,690	251,595
LIABILITIES			
Non-current liabilities			
Lease liabilities		45,483	49,993
Borrowings	B9	15,296	14,884
Employee benefits		54	63
Provision		1,053	1,763
Other payables		-	8,195
Deferred tax liabilities		1,086	810
Total non-current liabilities		62,972	75,708
Current liabilities			
Trade payables		21,116	10,879
Other payables		11,850	11,504
Provision		995	495
Contract liabilities		3,753	3,277
Borrowings	B9	23,235	29,924
Lease liabilities		12,831	13,591
Tax payable		-	469
Total current liabilities		73,780	70,139
TOTAL LIABILITIES		136,752	145,847
TOTAL EQUITY AND LIABILITIES		391,442	397,442
Net asset per share attributable to owners of the Company (RM)		0.28	0.28

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial report.

Notes:

(1) Other investments consist of fund placement in money market deposit.

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2025**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company					
	Share capital	Foreign exchange reserve	Distributable retained earnings	Sub-total	Non-controlling interest	Total equity
<u>Audited</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2024	165,902	5,437	66,181	237,520	18,061	255,581
Total comprehensive income for the financial year						
Profit/(Loss) for the financial year	-	-	5,924	5,924	(1,109)	4,815
Other comprehensive loss for the financial year	-	(5,527)	-	(5,527)	(1,490)	(7,017)
	-	(5,527)	5,924	397	(2,599)	(2,202)
Transactions with owners: -						
Acquisition of additional equity interest of existing subsidiaries	-	-	-	-	4,373	4,373
Dividends	-	-	(6,157)	(6,157)	-	(6,157)
	-	-	(6,157)	(6,157)	4,373	(1,784)
Balance as at 31 December 2024	<u>165,902</u>	<u>(90)</u>	<u>65,948</u>	<u>231,760</u>	<u>19,835</u>	<u>251,595</u>
<u>Unaudited</u>						
Balance as at 1 January 2025	165,902	(90)	65,948	231,760	19,835	251,595
Total comprehensive income for the financial period ended						
Loss for the financial period	-	-	(741)	(741)	(965)	(1,706)
Other comprehensive loss for the financial period	-	(1,716)	-	(1,716)	(2,127)	(3,843)
	-	(1,716)	(741)	(2,457)	(3,092)	(5,549)
Transactions with owners: -						
Acquisition of additional equity interest of existing subsidiaries	-	-	-	-	8,644	8,644
	-	-	-	-	8,644	8,644
Balance as at 30 June 2025	<u>165,902</u>	<u>(1,806)</u>	<u>65,207</u>	<u>229,303</u>	<u>25,387</u>	<u>254,690</u>

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 2024 and the accompanying explanatory notes attached to the interim financial report.

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2025**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		YEAR-TO-DATE	
	Notes	Unaudited 30.06.2025 RM'000	Unaudited 30.06.2024 RM'000
OPERATING ACTIVITIES			
(Loss)/Profit before tax		(350)	4,096
Adjustments for: -			
Depreciation on property, plant, and equipment		5,914	5,328
Depreciation on right-of-use assets		8,952	8,013
Property, plant and equipment written off		98	8
Gain on lease termination		(467)	-
Gain on lease modification		(13)	(201)
Loss/(Gain) on disposal of property, plant and equipment		7	(9)
Allowance for slow moving inventories (net)		362	1,137
Fair value gain on other investment		(260)	(513)
Interest income		(447)	(630)
Interest expenses		3,464	3,791
Reversal of retirement benefit		(9)	-
Unrealised gain on foreign exchange		(223)	(494)
Operating profit before changes in working capital		17,028	20,526
Inventories		(9,684)	(31,815)
Payables		10,373	4,512
Receivables		(9,046)	(8,081)
Contract liabilities		476	3,453
Cash generated from/(used in) operations		9,147	(11,405)
Tax refund		2,974	-
Tax paid		(2,000)	(3,995)
Net cash generated from/(used in) operating activities		10,121	(15,400)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(3,288)	(9,922)
Proceeds from disposal of property, plant and equipment		-	45
Subscription of shares by non-controlling interest of subsidiary		8,644	-
Interest income		447	630
Net investment in other investment		(8,098)	6,483
Placement of fixed deposits pledged with licensed bank		-	(300)
Net cash used in investing activities		(2,295)	(3,064)
FINANCING ACTIVITIES			
Interest paid		(3,464)	(3,791)
Dividend paid		-	(8,209)
Repayment of advances to corporate shareholder		(8,195)	-
Payment of principal portion of lease liabilities		(7,852)	(7,490)
Drawdown of borrowings		42,688	62,200
Repayment of borrowings		(43,129)	(56,508)
Net cash used in financing activities		(19,952)	(13,798)
CASH AND CASH EQUIVALENTS			
Net changes		(12,126)	(32,262)
Effect of foreign exchange rate changes		(2,992)	(3,223)
Brought forward		49,296	79,345
Carried forward	A	34,178	43,860

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial report.

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2025**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

NOTE TO STATEMENT OF CASH FLOWS

A. Cash and cash equivalents included in the Statement of Cash Flows comprise the following: -

	YEAR-TO-DATE	
	Unaudited	Unaudited
	30.06.2025	30.06.2024
	RM'000	RM'000
Fixed deposits with licensed banks	20,520	23,323
Cash and bank balances	14,571	31,925
Less: Bank overdrafts	(486)	(8,822)
	34,605	46,426
Less: Fixed deposits pledged with licensed bank	(427)	(2,566)
	<u>34,178</u>	<u>43,860</u>

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A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025

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 and requirements of the Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB").

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial period ended 31 December 2024.

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 2024 except for the adoption of the following new MFRSs and amendments to MFRSs, as disclosed below:-

Effective for financial period beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

The adoption of the above did not result in any significant changes to the Group's results and financial position for this interim report 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 2024.

A4. Seasonal or Cyclical Factors

The business operations of the Group would typically experience lower customer traffic, transaction value and sales during festive seasons and holidays.

A5. Material Unusual Item

There were no material unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and the financial period to date.

A6. Material Changes in Estimates

There were no material changes in estimates that had a material effect during the current quarter and the financial period to date.

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 and the financial period to date.

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025 (CONT'D)

A8. Dividends

There were no dividend declared and paid during the current quarter and the financial period to date.

A9. Segmental Reporting

For management purposes, the Group is organised into reportable segments based on three (3) business segments.

The segmental information based on three (3) business segments for the financial period ended 30 June 2025 is as follows:

	Year-to-date period ended 30 June 2025				
			Investment holdings and other		
	Trading RM'000	Golf Services RM'000		Elimination RM'000	Total RM'000
Revenue					
Sales to external customers	139,031	5,371	-	-	144,402
Inter-segment revenue	3,085	60	4,039	(7,184)	-
Total revenue	142,116	5,431	4,039	(7,184)	144,402
Segment earnings before interest, tax, depreciation and amortisation	17,981	(139)	(237)	(72)	17,533
Finance income					447
Finance costs					(3,464)
Depreciation of property, plant & equipment					(5,914)
Depreciation of right-of-use assets					(8,952)
Income tax expense					(1,356)
Net loss for the financial period					(1,706)
			Investment holdings and other		
	Trading RM'000	Golf Services RM'000		Elimination RM'000	Total RM'000
Segment assets	317,504	14,934	186,410	(127,406)	391,442
Segment liabilities	148,896	18,256	708	(31,108)	136,752

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025 (CONT'D)

A9. Segmental Reporting (Cont'd)

The segmental information based on three (3) geographical operations for the financial period ended 30 June 2025 is as follows:

	Year-to-date period ended 30 June 2025			
	Malaysia's Operation RM'000	Singapore's Operation ⁽¹⁾ RM'000	Indonesia's Operation RM'000	Total RM'000
Revenue				
Sales to external customers	88,151	37,879	18,372	144,402
Result				
Profit from operations				2,667
Finance income				447
Finance cost				(3,464)
Profit before tax				(350)
Income tax expense				(1,356)
Net loss for the financial period				(1,706)

Notes:

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

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

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

A11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter and the financial period to date.

A12. Contingent Assets and Contingent Liabilities

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

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025 (CONT'D)

A13. Material Capital Commitments

	As at 30.06.2025 Unaudited RM'000	As at 31.12.2024 Audited RM'000
Approved and contracted for: -		
- Purchase of property, plant and equipment and renovation	1,746	1,198

A14. Significant Related Party Transactions

The significant related party transactions of the Group for the current quarter and year-to-date period ended 30 June 2025 are shown below:

	Current Quarter		Year-to-date	
	30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Transactions with related parties:				
Payment of lease liabilities	-	117	-	191
Premises rental expenses	2	8	5	19
Premises rental received	-	162	-	324
Loan interest payable	-	9	145	9
Purchases of golf accessories	44	152	83	154
Purchases of golf apparels	142	-	142	-
Purchases of computer equipment	-	7	-	10
Purchases of audio and other equipment	-	12	5	24

A15. Derivatives

There were no derivatives used in the current quarter and the financial period to date.

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 and the financial period to date.

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

B1. Review of the Performance

Comparison of the current quarter ended 30 June 2025 against the corresponding quarter ended 30 June 2024

	Current Quarter				Year-to-date			
	30.06.2025	30.06.2024	Variance + / (-)		30.06.2025	30.06.2024	Variance + / (-)	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	75,255	81,731	(6,476)	-7.9	144,402	158,737	(14,335)	-9.0
(a) Business segment								
- Retail	67,491	68,390	(899)	-1.3	127,096	132,138	(5,042)	-3.8
- Wholesale	3,661	6,794	(3,133)	-46.1	10,982	16,861	(5,879)	-34.9
- Golf Services	2,788	4,886	(2,098)	-42.9	3,927	6,793	(2,866)	-42.2
- Indoor Golf	1,315	1,661	(346)	-20.8	2,397	2,945	(548)	-18.6
(b) Geographical locations								
- Malaysia	46,566	50,069	(3,503)	-7.0	88,151	96,411	(8,260)	-8.6
- Singapore	18,650	24,358	(5,708)	-23.4	37,879	50,356	(12,477)	-24.8
- Indonesia	10,039	7,304	2,735	37.4	18,372	11,970	6,402	53.5
Gross Profit	30,398	34,091	(3,693)	-10.8	57,513	65,517	(8,004)	-12.2
Gross Margin (%)	40.4%	41.7%			39.8%	41.3%		
Profit before tax ("PBT")	1,181	2,389	(1,208)	-50.6	-350	4,096	(4,446)	-108.5
Profit after tax ("PAT")	126	1,333	(1,207)	-90.5	-1,706	2,362	(4,068)	-172.2

Current quarter ended 30 June 2025 compared to preceding year same quarter

The Group recorded a total revenue of RM75.26 million for Q2 FY2025, reflecting a decrease of RM6.48 million or 7.9%, compared to RM81.73 million in Q2 FY2024.

(a) Business segment

i) Trading Segment

The Trading segment comprises the Group's Retail and Wholesale businesses. In the current reporting quarter, the Retail segment recorded a lower revenue of RM67.49 million, a decrease of 1.3% attributable to softer domestic market conditions in Malaysia and Singapore.

The Wholesale business primarily involves trading of golf equipment, posted a lower revenue for the quarter at RM3.66 million (Q2 2024: RM6.79 million) due to lower export sales from Singapore to Indonesia market.

ii) Golf Services Segment

The Golf Services business recorded lower revenue of RM2.79 million for the current quarter (Q2 2024: RM4.89 million). This decline was due to the discontinuance of the Toyota Tour event following the non-renewal of sponsorship.

The Indoor Golf segment decreased by 20.8% as compared to previous year's revenue, which was boosted by an e-Golf event and its sponsorship support.

(b) Geographical location

The Group's revenue in Malaysia declined by 7.0%, partly due to lower retail sales and the discontinuance of the Toyota Tour event last year.

In Singapore, revenue decreased by 23.4% mainly from the Wholesale segments.

Indonesia posted a strong growth of 37.4%, supported by the contribution from the current 6 retail stores.

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

B1. Review of the Performance (Cont'd)

Comparison of the current quarter ended 30 June 2025 against the corresponding quarter ended 30 June 2024 (Cont'd)

Gross Profit

The Group's gross profit margin decreased to 40.4% (Q2 2024: 41.7%) due to softer market conditions in the Retail segment, which necessitated more promotional activities combined with the Group's ongoing strategy to reduce aging inventory.

PBT and PAT

The Group recorded a lower profit after tax for the current financial period compared to the corresponding period. The decline in profit was mainly due to lower sales, but the negative effects were partially offset by the Group's ongoing cost-saving measures.

B2. Comparison with the Immediate Preceding Quarter's Results

The Group's performance for the current quarter ended 30 June 2025 ("Q2 FY2025") compared to the preceding quarter ended 31 March 2025 ("Q1 FY2025") are tabled below: -

	Current Quarter 30.06.2025 RM'000	Preceding Quarter 31.03.2025 RM'000	Variance + / (-)	
			RM'000	%
Revenue	75,255	69,147	6,108	8.8
(a) Business segments				
- Retail	67,491	59,605	7,886	13.2
- Wholesale	3,661	7,322	(3,661)	-50.0
- Golf Services	2,788	1,138	1,650	145.0
- Indoor Golf	1,315	1,082	233	21.5
(b) Geographical operations				
- Malaysia	46,566	41,585	4,981	12.0
- Singapore	18,650	19,229	(579)	-3.0
- Indonesia	10,039	8,333	1,706	20.5
Gross Profit	30,398	27,115	3,283	12.1
Gross Margin (%)	40.4%	39.2%		
Profit before tax ("PBT")	1,181	-1,531	2,712	-177.1
Profit after tax ("PAT")	126	-1,832	1,958	-106.9

In the current quarter, the Group recorded a total revenue of RM75.26 million, higher by 8.8% compared to RM69.15 million in Q1 FY2025.

This was mainly due to higher sales contribution from the Retail segment in Malaysia and Indonesia, driven by a combination of the mid-year promotional campaigns and pent-up demand for golf related products and services after the Ramadhan period.

The Wholesale segment recorded a lower sale of RM3.66 million compared to the preceding quarter, as typically launches of new products and activities are done in the first quarter.

In Singapore, revenue decreased by RM0.58 million or 3.0%, mainly due to lower wholesale and export sales to Indonesia despite higher local retail performance compared to preceding quarter.

The gross profit margin increased to 40.4% from 39.2%, mainly attributable to the Group's targeted promotional activities.

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

B3. Prospects

Despite global trade tensions and uncertain economic conditions, the ASEAN golf market appears to stay active, supported by steady interest evident in the busy golf courses and driving ranges, as well as the growth of golf tourism. We continue to see growth particularly from the emergence of new young golfers.

The Group remains optimistic going forward and will continue its on-going strategies to improve revenue and cost efficiency measures. The Group is accelerating its focus on system upgrades and digital initiatives to lower operational costs and improve store productivity as these efforts are part of a broader strategy to achieve better stock turnover and stronger profitability.

In Malaysia and Singapore, the Group is committed to strengthening its market position and improving operational efficiency to drive profits. The Malaysian market remains stable, while Singapore continues to face challenges due to its soft domestic retail market.

In Indonesia, the Group is building on its current six stores as part of its strategic expansion plan, with one more new location slated to open this year. An additional store at Surabaya has been confirmed to open in 2026. The Group is working with the local partner to plan the timing for more launches in other locations, taking into consideration the current domestic market, new government direction and currency impact.

The Group is continuing its regional expansion plans to Thailand and is in the process of setting up a local Thai entity. The Group plans to open its first store in 2026.

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):

	Current Quarter		Year-to-date	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant & equipment	2,997	2,684	5,914	5,328
Depreciation of right-of-use assets	4,398	4,220	8,952	8,013
Interest expense on lease liabilities	1,009	1,157	2,061	2,111
Interest expense on borrowings	567	772	1,324	1,614
Interest expense on the unwinding discount on restoration costs	42	66	79	66
Interest income	(213)	(236)	(447)	(630)
Provision/(Reversal) of written-down of slow-moving inventories	(282)	1,223	362	1,137
Loss/(Gain) on disposal of property, plant & equipment	-	(3)	7	(9)
Write-off of property, plant & equipment	76	3	98	8
Realised (gain)/loss on foreign exchange	(254)	79	(342)	251
Unrealised (gain)/loss on foreign exchange	(164)	307	(223)	(494)
Fair value gain on other investment	(307)	(230)	(260)	(513)

Notes:

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

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

B6. Tax Expense

	Current Quarter		Year-to-date	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Income tax	731	1,098	1,082	1,894
Deferred tax	324	(42)	274	(160)
Total tax expense	1,055	1,056	1,356	1,734

The Group's effective tax rate is higher than the statutory tax rate of 24.0% due to non-deductible expenses and losses incurred by subsidiary companies.

B7. Status of Corporate Proposals

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

B8. Utilisation of Proceeds from the Public Issue

The status of the utilisation of proceeds from the Initial Public Offering as at 30 June 2025 is as follows:

Purpose	(A) Original Proposed Utilisation RM'000	(B) Re- allocation RM'000 ⁽¹⁾	(C) = (A) + (B) Reallocated Utilisation RM'000	(D) Actual Utilisation RM'000	(C) - (D) Balance Unutilised RM'000	Intended Timeframe for Utilisation
Expansion in Malaysia and Singapore	62,755	(19,308)	43,447	21,704	21,743	Within 36 months
Expansion into new geographical markets	53,550	19,308	72,858	34,219	38,639	Within 36 months
Upgrade of digital technology facilities	3,000	-	3,000	1,551	1,449	Within 36 months
Working capital requirements	3,259	-	3,259	3,259	-	Within 24 months
Estimated share listing and share issuance	7,036	-	7,036	7,036	-	Within 1 month
	129,600	-	129,600	67,769	61,831	

The utilisation of proceeds as disclosed above should be read in conjunction with the IPO Prospectus dated 28 June 2023.

Notes:

- (1) The Group undertook a variation for the utilisation of proceeds raised from initial public offering as disclosed in the announcement dated 28 August 2024, with total amounting to RM22.31 million.
- The amount of RM19.31 million has been reallocated from Expansion in Malaysia and Singapore to expansion into new geographical markets to fast track the expansion of its business operations in Indonesia.
 - The Group has also reallocated RM3.00 million from the expansion of new outlets in Malaysia and Singapore to the refurbishment of existing retail outlets, warehouse and head office in Malaysia.

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

B9. Borrowings

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

	As at 30.06.2025 Unaudited RM'000	As at 31.12.2024 Audited RM'000
Secured		
Non-current liability		
Term Loans	15,296	14,884
	<u>15,296</u>	<u>14,884</u>
Secured		
Current liabilities		
Bankers' acceptance	13,386	16,418
Bank overdraft	486	6,329
Term loans	2,876	2,683
Supplier financing arrangement	6,487	4,494
	<u>23,235</u>	<u>29,924</u>
	<u>38,531</u>	<u>44,808</u>

All borrowings are secured and denominated in Ringgit Malaysia except for the borrowings in Singapore Dollar ("SGD") which total SGD1.97 million (2024: SGD1.37 million) and Indonesian Rupiah ("IDR") which total IDR7.65 billion (2024: Nil).

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 Dividend

There were no dividend proposed during the current quarter and the financial period to date.

B12. Earnings per Share ("EPS")

The basic EPS for the current quarter and year-to-date ended 30 June 2025 are computed as follows:

	Current Quarter		Year-to-date	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
Profit attributable to owners of the Company (RM'000)	364	1,501	(741)	2,983
Weighted average number of ordinary shares in issue	820,868,600	820,868,600	820,868,600	820,868,600
Basic EPS (sen)	<u>0.04</u>	<u>0.18</u>	<u>(0.09)</u>	<u>0.36</u>

There were no diluted EPS as the Company does not have convertible securities at the end of the financial period to date.

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

B13. Approval of Interim Financial Report

The interim financial report as set out above was authorised for issuance by the Board of Directors of MST Golf Group Berhad on 27 August 2025.

By Order of the Board
Queck Wai Fong (MAICSA 7023051)
Secretary
Kuala Lumpur
27 August 2025