

MASTER TEC GROUP BERHAD
(Registration No. 202201040911 (1486608-P))
(Incorporated in Malaysia)

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



MASTER TEC GROUP BERHAD
(Registration No. 202201040911 (1486608-P))
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2025⁽¹⁾⁽²⁾

	Note	Individual Quarter		Cumulative Quarter	
		30.6.2025	30.6.2024	30.6.2025	30.6.2024
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	104,815	72,845	175,057	139,990
Cost of sales		(91,779)	(64,376)	(153,702)	(121,753)
Gross profit		13,036	8,469	21,355	18,237
Other income		964	2,322	1,965	3,177
Administrative expenses		(4,165)	(38)	(6,301)	(3,438)
Selling and distribution expenses		(592)	(1,392)	(1,652)	(2,512)
Profit from operations		9,243	9,361	15,367	15,464
Finance costs		(1,087)	(600)	(2,113)	(1,595)
Profit before taxation	B13	8,156	8,761	13,254	13,869
Income tax expense	B5	(1,229)	(58)	(1,789)	(177)
Profit after taxation/Total comprehensive income		6,927	8,703	11,465	13,692
Profit attributable to:					
Owners of the Company		6,920	8,703	11,388	13,692
Non-controlling interests		7	-	77	-
Profit after taxation/Total comprehensive income		6,927	8,703	11,465	13,692
Earnings per share ("EPS")					
Basic/Diluted ⁽³⁾ (sen)	B12	0.68	0.87	1.12	1.37

Notes:

- (1) The basis of preparation of the above unaudited condensed consolidated statement of profit or loss and other comprehensive income is disclosed in Note A1 and should be read in conjunction with audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) The Company acquired a 51.00% equity interest in Sediacom Sdn. Bhd. ("**Sediacom**") on 23 October 2024 and incorporated Master Tec Engineering Sdn. Bhd. ("**MTE**") as a wholly-owned subsidiary on 21 April 2025. Both subsidiaries of the Company have been consolidated in this interim financial statements.
- (3) Basic EPS is calculated based on the number of issued ordinary shares of 1,020,000,000 as at 30 June 2025 and the weighted average number of 998,282,967 shares as at 30 June 2024. The diluted EPS is equivalent to the basic EPS as the Company does not have any convertible options as at the end of the current quarter and financial period under review.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025⁽¹⁾⁽²⁾

		As at 30.6.2025	As at 31.12.2024
		Unaudited	Audited
	Note	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		104,472	101,741
Investment properties		1,502	1,513
Right-of-use assets		400	661
Intangible asset		4,750	5,000
Goodwill		2,713	2,713
Total non-current assets		113,837	111,628
Current assets			
Inventories		53,450	34,852
Contract cost assets		2,264	1,566
Trade receivables and contract assets		97,819	95,562
Other receivables, deposits and prepayments		5,340	3,869
Fixed deposits with licensed banks		40,592	44,638
Cash and bank balances		35,559	17,545
Current tax assets		1,159	1,030
Total current assets		236,183	199,062
Total assets		350,020	310,690
EQUITY AND LIABILITIES			
Equity			
Share capital		146,004	146,004
Merger deficits		(56,190)	(56,190)
Retained profits		105,141	93,753
Equity attributable to owners of the Company		194,955	183,567
Non-controlling Interest		1,154	1,077
Total equity		196,109	184,644
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		5,419	4,542
Loans and borrowings	B8	14,045	11,124
Lease liabilities		326	452
Total non-current liabilities		19,790	16,118
Current liabilities			
Trade payables		41,883	31,238
Other payables and accruals		19,439	24,013
Loans and borrowings	B8	72,456	54,259
Lease liabilities		174	246
Current tax liabilities		169	172
Total current liabilities		134,121	109,928
Total liabilities		153,911	126,046
Total equity and liabilities		350,020	310,690
Net assets per ordinary share attributable to owners of the Company (sen) ⁽³⁾			
		19.11	18.00

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D) ⁽¹⁾⁽²⁾

Notes:

- (1) *The basis of preparation of the above Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and 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 this interim financial statements.*
- (2) *The Company acquired a 51.00% equity interest in Sediacom on 23 October 2024 and incorporated MTE as a wholly-owned subsidiary on 21 April 2025. Both subsidiaries of the Company have been consolidated in this interim financial statements.*
- (3) *Net assets per ordinary share attributable to owners of the Company are calculated based on 1,020,000,000 ordinary shares in issue as at 30 June 2025 and 31 December 2024, respectively.*

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2025⁽¹⁾⁽²⁾

	<u>Non-Distributable</u>		<u>Distributable</u>	Attributable to	Non-	
	Share	Merger	Retained	owners of the	controlling	Total equity
	capital	Deficits	profits	Company	interest	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2025 (Audited)	146,004	(56,190)	93,753	183,567	1,077	184,644
Profit after taxation/Total comprehensive income for the financial period	-	-	11,388	11,388	77	11,465
As at 30 June 2025 (Unaudited)	146,004	(56,190)	105,141	194,955	1,154	196,109
As at 1 January 2024 (Audited)	86,190	(56,190)	79,738	109,738	-	109,738
Issuance of shares ⁽³⁾	61,659	-	-	61,659	-	61,659
Listing expenses	(1,845)	-	-	(1,845)	-	(1,845)
Dividends	-	-	(7,181)	(7,181)	-	(7,181)
Total transactions with owners of the Company	59,814	-	(7,181)	52,633	-	52,633
Profit after taxation/Total comprehensive income for the financial period	-	-	13,692	13,692	-	13,692
As at 30 June 2024 (Unaudited)	146,004	(56,190)	86,249	176,063	-	176,063

Notes:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) The Company acquired a 51.00% equity interest in Sediacom on 23 October 2024 and incorporated MTE as a wholly-owned subsidiary on 21 April 2025. Both subsidiaries of the Company have been consolidated in this interim financial statements.
- (3) Issuance of new shares pursuant to the Company's initial public offering ("IPO").

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
FINANCIAL QUARTER ENDED 30 JUNE 2025⁽¹⁾⁽²⁾**

	30.6.2025	30.6.2024
	Unaudited	Unaudited
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	13,254	13,869
Adjustments for:-		
Bad debts written off	-	48
Depreciation of property, plant and equipment	3,277	1,654
Depreciation of right-of-use assets	198	88
Amortisation of intangible assets	250	-
Depreciation of investment properties	10	-
Interest expense	2,113	1,595
Impairment losses on trade receivables	310	105
Gain on disposal of property, plant and equipment	(13)	-
Interest income	(887)	(1,041)
Operating income before working capital changes	18,512	16,318
Changes in working capital:		
Increase in inventories	(18,597)	(8,469)
Increase in receivables and contract assets	(2,624)	(3,096)
Increase in contract cost assets	(698)	-
Increase in trade and other payables	6,072	7,865
Cash generated from operations	2,665	12,618
Income tax paid	(1,045)	(3,388)
Net cash from operating activities	1,620	9,230
CASH FLOWS FOR INVESTING ACTIVITIES		
Deposits paid for purchase of property, plant and	(1,414)	(9,934)
Purchase of property, plant and equipment	(6,015)	(4,256)
Proceeds from disposal of property, plant and equipment	20	-
Addition to right-of-use assets	(9)	(42)
Withdrawal/(Placement) of fixed deposits pledged with licensed banks	4,046	(200)
Interest received	887	1,041
Net cash for investing activities	(2,485)	(13,391)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	-	61,659
Payment of share issuance expenses	-	(1,845)
Dividend paid	-	(7,181)
Interest paid	(2,113)	(1,595)
Net increase/(decrease) in short-term borrowings	18,105	(31,912)
Repayment of hire purchase payables	(469)	(18)
Repayment of lease liabilities	(127)	(53)
Drawdown of term loan	4,860	-
Repayment of term loans	(1,540)	(3,247)
Net cash from financing activities	18,716	15,808

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
FINANCIAL QUARTER ENDED 30 JUNE 2025 (CONT'D) ⁽¹⁾⁽²⁾**

	30.6.2025	30.6.2024
	Unaudited	Unaudited
	RM'000	RM'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,851	11,647
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	55,173	42,820
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	73,024	54,467
Cash and cash equivalents at the end of the period are represented by:		
Fixed deposits with licensed banks	40,592	52,258
Cash and bank balances	35,559	14,467
	76,151	66,725
Less: Fixed deposits pledged to licensed banks	(2,592)	(12,258)
Less: Bank overdrafts	(535)	-
	73,024	54,467

Notes:

- (1) The above Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial report.
- (2) The Company acquired a 51.00% equity interest in Sediacom on 23 October 2024 and incorporated MTE as a wholly-owned subsidiary on 21 April 2025. Both subsidiaries of the Company have been consolidated in this interim condensed consolidated statement of cash flows for the financial period ended 30 June 2025.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 - INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report of Master Tec Group Berhad ("**MTG**" or "**Company**") and its subsidiaries, Master Tec Wire & Cable Sdn. Bhd. ("**MTWC**"), Master Tec Engineering Sdn. Bhd. ("**MTE**") and Sediacom Sdn. Bhd. ("**Sediacom**") (collectively, the "**Group**") is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards ("**MFRS**") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("**MASB**") and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

This interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2024 which were prepared under MFRS. These explanatory notes attached to the interim financial statements provide an explanation on 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 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 preparation of the annual audited financial statements for the financial year ended 31 December 2024, except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB.

The Group has adopted the following standards, amendments and interpretations that have become effective in current financial quarter:

New MFRSs and amendments/improvements to MFRSs issued and effective

	<u>Effective Date</u>
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above amendments/improvements to MFRSs does not have any significant effect on the financial statements of the Group.

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued but not yet effective for the Group:

New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective

	<u>Effective Date</u>
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature - dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

The initial application of the abovementioned accounting standards interpretations or amendments is not expected to have any material financial impacts on the Group.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 - INTERIM FINANCIAL REPORTING (CONT’D)

A3. Auditors’ Report on Preceding Annual Financial Statements

There were no qualifications on the audited financial statements of the Group for the financial year ended 31 December 2024.

A4. Seasonal or Cyclical Factors

The Group’s operation was not significantly affected by any unusual seasonal or cyclical factors in the current quarter and financial period-to-date under review.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the current quarter and financial period-to-date under review.

A6. Material Changes in Estimates

There were no material changes in estimates in the current quarter and financial period-to-date under review.

A7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resales or repayments of debt and equity securities in the current quarter and financial period-to-date under review.

A8. Dividend Paid

There were no dividends paid during the current quarter under review.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 - INTERIM FINANCIAL REPORTING (CONT'D)

A9. Segmental Information

The Group's reportable segments were identified as follows:

- **Manufacturing segment from MTWC:** Revenue from manufacturing low-voltage ("LV") power cables and control and instrumentation cables.
- **Trading segment from MTWC:** Revenue from trading of power cables, fibre optic cables, and other related products.
- **Contract revenue segment from Sediacom:** Revenue from infrastructure and utility services related to drilling, underground laying, road safety management, back-reaming, high-density polyethylene ("HDPE") pipe pulling, and labour supply services.

	Individual Quarter		Cumulative Quarter	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Manufacturing segment				
- LV power cables				
• copper-cored	49,325	46,148	93,059	75,707
• aluminium-cored	39,675	22,861	55,991	57,602
	89,000	69,009	149,050	133,309
- control and instrumentation cables	2,035	2,740	5,742	4,967
Manufacturing segment	91,035	71,749	154,792	138,276
Trading segment	8,951	1,096	10,571	1,714
Total manufacturing and trading segment	99,986	72,845	165,363	139,990
Contract revenue segment	4,829	-	9,694	-
Total revenue	104,815	72,845	175,057	139,990

A10. Valuation of Property, Plant and Equipment

There were no valuations carried out on property, plant and equipment during the current quarter under review.

A11. 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 financial statements for the said period as at the date of this report.

A12. Changes in the Composition of the Group

During the current quarter under review, the Group incorporated a new wholly-owned subsidiary, MTE on 21 April 2025. MTE undertakes engineering, procurement, construction and commissioning ("EPCC"), trading of mechanical and electrical equipment and trading of wires, cables and related products.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 - INTERIM FINANCIAL REPORTING (CONT'D)

A12. Changes in the Composition of the Group (Cont'd)

MTE is in the initial setup stage, has not contributed any revenue during the quarter, and only incurred minor administrative and incorporation expenses in current quarter under review.

Other than the above, there were no material changes in the composition of the Group during the current quarter.

A13. Contingent Liabilities or Contingent Assets

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

A14. Related Party Transaction Disclosures

The related party transactions between the Group and related party are as follows:

	Individual Quarter		Cumulative Quarter	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
A company owned substantially by a director of the Group				
Sale of goods	657	3,420	3,106	4,647

A15. Capital Commitments

The capital commitments of the Group as at 30 June 2025 are as follows:

	As at
	30.6.2025
	RM'000
Approved and contracted for:	
Installation of rooftop solar PV system at MTWC's factory	1,716
Purchase of new machineries and equipment	3,797
Purchase of freehold land at Lot 19798, Mukim Jasin	9,101
	14,614

Save as disclosed above, there were no other material capital commitments during the end of the interim financial period.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Financial Performance

	Individual Quarter		Cumulative Quarter	
	30.6.2025 Unaudited	30.6.2024 Unaudited	30.6.2025 Unaudited	30.6.2024 Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	104,815	72,845	175,057	139,990
Gross profit ("GP")	13,036	8,469	21,355	18,237
Profit before taxation ("PBT")	8,156	8,761	13,254	13,869
Profit after taxation ("PAT")/ Total comprehensive income	6,927	8,703	11,465	13,692

For the current quarter ended 30 June 2025, the Group recorded revenue of RM104.82 million, representing a 43.88% increase compared to RM72.85 million in the corresponding quarter of the preceding financial year. The manufacturing segment remained the primary contributor, generating RM91.04 million in revenue. This was driven by stronger sales of copper-cored LV power cables, which rose to RM49.33 million from RM46.15 million, and aluminium-cored LV power cables, which increased significantly to RM39.68 million from RM22.86 million. Sales of control and instrumentation cables were slightly lower at RM2.04 million compared to RM2.74 million in the corresponding quarter of previous financial year.

Revenue from the trading segment improved significantly to RM8.95 million compared to RM1.10 million, while the Group's overall revenue was further supported by the contract revenue segment with contribution of RM4.83 million.

For the quarter under review, the Group recorded a GP of RM13.04 million, achieving a GP margin of 12.44%, as compared to RM8.47 million and a GP margin of 11.63% in the corresponding quarter of the previous financial year. The higher GP was achieved despite an increase in operational expenses, mainly arising from depreciation of new plant and machineries brought onstream towards the end of the financial year 2024, and higher labour costs following an increase in headcount and the implementation of the revised minimum wage. The stronger performance was attributable to a more favourable sales mix and a surge in production orders during the current quarter, stemming from awarded projects from customers.

For the quarter under review, the Group posted a PBT of RM8.16 million, a slight decline from RM8.76 million in the corresponding quarter of the preceding financial year. The decrease was mainly attributable to higher administrative expenses, including listing-related expenses incurred for the proposed transfer of the listing of and quotation for the entire issued ordinary shares of MTG from the ACE Market to the Main Market of Bursa Securities ("**Proposed Transfer**"), as well as increased finance costs arising from borrowings used to support the Group's operational and capital requirements.

For the cumulative six-month period ended 30 June 2025, the Group posted revenue of RM175.06 million, representing an increase of 25.05% from RM139.99 million in the corresponding six-month period of preceding financial year. The manufacturing segment contributed RM154.79 million, driven by higher sales of copper-cored LV power cables at RM93.06 million compared to RM75.71 million, lower sales of aluminium-cored LV power cable at RM55.99 million compared to RM57.60 million, and higher sales of control and instrumentation cables at RM5.74 million compared to RM4.97 million. The trading segment recorded RM10.57 million compared to RM1.71 million, while the contract revenue segment from Sediacom contributed RM9.69 million.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B1. Review of Financial Performance (Cont'd)

For the cumulative six-month period ended 30 June 2025, the Group recorded a PBT of RM13.25 million, representing a marginal decline of 4.47% from RM13.87 million in the corresponding six-month period of the preceding year, mainly due to higher administrative expenses, including listing-related costs, and increased finance costs from borrowings to support operational and working capital needs.

For the cumulative six-month period ended 30 June 2025, PAT stood at RM11.47 million, a decline of RM2.22 million or 16.22% compared to RM13.69 million in the corresponding six-month period of the previous financial year, mainly due to a higher effective tax rate stemming from lower tax incentives on capital expenditure during the period under review.

B2. Comparison with Immediate Preceding Quarter's Results

	Individual Quarter 30.6.2025 Unaudited RM'000	Immediate Preceding Quarter 31.3.2025 Unaudited RM'000	Changes %
Revenue	104,815	70,242	49.22%
PBT	8,156	5,099	59.95%
PAT/Total comprehensive income	6,927	4,538	52.64%
Profit attributable to owners of the Company	6,920	4,468	54.88%

For the current quarter under review, the Group recorded revenue of RM104.82 million, an increase of RM34.58 million or 49.23% compared to RM70.24 million in the immediate preceding quarter.

PBT rose to RM8.16 million, an improvement of RM3.06 million or 60.00% compared to RM5.10 million in the immediate preceding quarter, in line with the stronger revenue performance. Correspondingly, PAT increased to RM6.93 million, representing an increase of RM2.39 million or 52.64% compared to RM4.54 million from the immediate preceding quarter. Profit attributable to owners of the Company improved to RM6.92 million, representing an increase of RM2.45 million or 54.81% compared to RM4.47 million in the immediate preceding quarter.

B3. Prospects of the Group

The outlook for the wire and cable industry in Malaysia remains positive, supported by sustained infrastructure investment, industrial development, and national electrification efforts. Demand for medium- and high-voltage cables is expected to rise under the Twelfth Malaysia Plan (2021–2025) and the National Energy Transition Roadmap (NETR). The Group remains focused on strengthening its role as a full-service cable solutions provider. As part of its long-term growth strategy, the Group is progressing into medium-voltage (“MV”) cable manufacturing, with production facilities already in place and currently undergoing certification. This positions the Group to serve higher-value infrastructure and export markets.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B3. Prospects of the Group (Cont'd)

To support future growth, the Group entered into two strategic collaborations as follows:

- i) Memorandum of Understanding (“**MOU**”) with Yangtze (Jiangsu) Marine Technology Company Limited (YOFC Marine) on 18 June 2025 for technical collaboration and product distribution in high-specification cable segments; and
- ii) MOU with Senari Synergy Sdn. Bhd. on 15 July 2025 to explore possibility of jointly setting up of a cable manufacturing facility in Sarawak, aligning with the Group’s regional expansion strategy.

The Group is actively enhancing its production capacity and energy efficiency through the acquisition of new machineries and the installation of rooftop solar photovoltaic (“**PV**”) system. These initiatives are aligned with the Group’s commitment to reducing its carbon footprint and supporting the transition towards green energy.

These developments, coupled with ongoing efforts in export market growth, product innovation, and sustainability initiatives, position the Group well to capture future opportunities and deliver long-term shareholder value.

B4. Variance of Actual Profits from Profit Forecast

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Current year tax expense:				
- Current tax	626	399	913	768
Deferred tax:				
- Relating to origination and reversal of temporary differences	603	(341)	876	(591)
Total income tax expense	1,229	58	1,789	177
Effective tax rate (%)	15.07	0.66	13.50	1.28
Statutory tax rate (%)	24.00	24.00	24.00	24.00

The Group's effective tax rate for the quarter and period-to-date ended 30 June 2025 was lower than the statutory tax rate of 24.00%. This was primarily due to the recognition of tax incentives on qualifying capital expenditure and the utilisation income tax incentives from prior year.

B6. Status of Corporate Proposals

On 21 February 2025, the Company announced that its wholly owned subsidiary, MTWC had entered into a sale and purchase agreement with multiple vendors for the acquisition of a parcel of freehold land located in Mukim Jasin, Daerah Jasin, Negeri Melaka, for a total consideration of RM10,203,712. The aforesaid acquisition is currently pending completion.

On 30 May 2025, on behalf of the board of directors of MTG, TA Securities Holdings Berhad announced that MTG proposed to undertake the Proposed Transfer and the proposed amendments to the constitution of MTG to facilitate the implementation of the Proposed Transfer ("**Proposed Amendments**"). The Proposed Transfer and the Proposed Amendments are currently pending completion.

Save for the above, there are no other corporate proposals announced that are pending completion as at the date of this report.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B7. Utilisation of Proceeds from the Public Issue

The status of utilisation of gross proceeds of RM61.66 million from the initial public offering (“IPO”) are as follows:

Details of utilisation of proceeds	Proposed utilisation	Percentage of allocation	Actual utilisation	Reallocation ⁽³⁾	Balance to be utilised	Estimated timeframe for utilisation⁽¹⁾⁽²⁾
	RM'000	%	RM'000	RM'000	RM'000	
Construction of new MV power cable manufacturing plants	16,783	27.22	15,579	(1,204)	-	Within 15 months
Purchase of new machineries and equipment	24,387	39.55	23,229	(1,158)	-	Within 15 months
General working capital	16,289	26.42	18,651	2,362	-	Within 15 months
Defray fees and expenses relating to Listing	4,200	6.81	4,200	-	-	Within 3 months
	<u>61,659</u>	<u>100.00</u>	<u>61,659</u>	<u>-</u>	<u>-</u>	

Notes:

(1) From the date of Listing of the Company on 29 January 2024.

(2) The utilisation of proceeds as disclosed above should be read in conjunction with the Company's Prospectus dated 28 December 2023.

(3) The IPO proceeds initially allocated for the construction of the new manufacturing plant and the purchase of machineries and equipment have been partially reallocated to general working capital purposes and have been fully utilised in the previous quarter.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B8. Group's Borrowings and Debt Securities

	30.6.2025	31.12.2024
	Unaudited	Audited
	RM'000	RM'000
Non-current:		
Term loans	13,400	10,232
Hire purchase payables	645	892
	<u>14,045</u>	<u>11,124</u>
Current:		
Term loans	2,657	2,506
Bankers' acceptances	66,950	50,446
Invoice financing	1,600	-
Bank overdrafts	535	372
Hire purchase payables	714	935
	<u>72,456</u>	<u>54,259</u>
Total borrowings	<u>86,501</u>	<u>65,383</u>

B9. Derivative Financial Instruments

There were no outstanding derivatives as at 30 June 2025.

B10. Material Litigation

There were no material litigations by or against the Group as at 30 June 2025.

B11. Dividends

On 11 August 2025, the board of directors of MTG declares a first interim single-tier dividend of 0.69 sen per ordinary share for the financial year ending 31 December 2025, amounting to approximately RM7.04 million. The entitlement date and payment date for the interim dividend are 27 August 2025 and 26 September 2025, respectively.

Save as disclosed above, no other dividends have been declared for the financial quarter under review.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B12. Earnings per share ("EPS")

The basic and diluted EPS for the current quarter under review and financial period-to-date are computed as follows:

	Individual Quarter		Cumulative Quarter	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	6,920	8,703	11,388	13,692
Weighted average number of ordinary shares in issue ('000)	1,020,000	998,283	1,020,000	998,283
Basic/Diluted EPS (sen) ⁽¹⁾	0.68	0.87	1.12	1.37

Note:

- (1) Basic EPS is calculated based on the profit attributable to owners of the Company divided by the number of ordinary shares outstanding during the period. The calculation for the current quarter and financial period-to-date is based on 1,020,000,000 issued ordinary shares as at 30 June 2025 and the weighted average number of ordinary shares of 998,282,967 as at 30 June 2024. The diluted EPS is equivalent to the basic EPS as the Company does not have any convertible options as at the end of the current quarter and financial period-to-date under review.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B13. Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following items have been included in arriving the profit before taxation for the current quarter and the profit before taxation for the financial period-to-date:

	Individual Quarter		Cumulative Quarter	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
After charging:				
Depreciation of property, plant and equipment	1,649	834	3,277	1,654
Depreciation of investment properties	5	-	10	-
Depreciation of right-of-use assets	97	88	198	88
Amortisation of intangible assets	125	-	250	-
Impairment losses on trade receivables	37	105	310	105
Bad debts written off	-	48	-	48
Realised loss on foreign exchange	60	-	60	-
Interest expense	1,087	600	2,113	1,595
Listing expenses	1,095	-	1,095	572
After crediting:				
Interest income	443	840	887	1,041
Other income	521	1,400	1,078	1,978
Gain on disposal of property, plant and equipment	-	-	13	-
Realised gain on foreign exchange	-	82	-	158
Listing expenses ⁽¹⁾	-	1,541	-	-

Note:

(1) Listing expenses directly attributable to the issuance of new shares pursuant to the Company's IPO were deducted from share capital in accordance with MFRS 132 – Financial Instruments: Presentation.

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

B14. Authorisation for Issue

This interim financial report was authorised for issue by the board of directors of MTG on 11 August 2025.