

REX INDUSTRY BHD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025 (Unaudited)

	<i>As at</i> <i>31/03/2025</i> <i>RM'000</i>	<i>Audited</i> <i>As at</i> <i>30/06/2024</i> <i>RM'000</i>
ASSETS		
Non-current assets		
Property, plant and equipment	36,888	38,168
Right-of-use assets	367	415
Investment properties	-	5,194
Goodwill on consolidation	7,037	7,037
	44,292	50,814
Current assets		
Inventories	39,738	49,679
Trade and other receivables	30,002	25,720
Tax recoverable	1,016	814
Cash and cash equivalents	42,959	9,233
Assets held for sales	-	19,566
	113,715	105,012
Total assets	158,007	155,826
EQUITY AND LIABILITIES		
Equity		
Share capital	113,717	113,717
Warrant reserve	2,093	2,093
Other reserve	(2,093)	(2,093)
Translation reserve	(7,457)	(4,780)
Accumulated losses	(4,000)	(12,576)
Total equity	102,260	96,361
Non-current liabilities		
Borrowings	5,861	6,389
Deferred tax liabilities	1,454	1,463
Lease liabilities	172	228
	7,487	8,080
Current Liabilities		
Borrowings	21,267	18,460
Trade and other payables	23,593	29,297
Contract liabilities	3,338	3,536
Lease liabilities	62	92
	48,260	51,385
Total liabilities	55,747	59,465
Total equity and liabilities	158,007	155,826
Net assets per share (RM)	0.16	0.15
	-	-

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 2024.

REX INDUSTRY BHD

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 31 MARCH 2025 (Unaudited)

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Quarterly ended		Changes %	Period ended		Changes %
	31/03/2025	31/03/2024		31/03/2025	31/03/2024	
	RM'000	RM'000		RM'000	RM'000	
Continuing operations						
Revenue	31,434	35,603	-12%	104,081	102,499	2%
Operating profit/(loss)	(2,083)	(136)	1432%	9,793	(640)	-1630%
Interest expense	(367)	(383)	-4%	(1,021)	(1,316)	-22%
Profit/(Loss) before tax	(2,450)	(519)	-372%	8,772	(1,956)	548%
Income tax expense	(202)	27	848%	(196)	34	676%
Net profit/(loss) for the period	(2,652)	(492)	-439%	8,576	(1,922)	546%
Other comprehensive income/(loss), net of tax						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation	(1,165)	427		(2,677)	(1,346)	
Total other comprehensive income/(loss) for the period	(1,165)	427		(2,677)	(1,346)	
Total comprehensive income/(loss) for the period	(3,817)	(65)		5,899	(3,268)	
Profit/(Loss) for the period attributable to :						
Owners of the parent	(2,652)	(492)		8,576	(1,922)	
Total comprehensive income/(loss) attributable to :						
Owners of the parent	(3,817)	(65)		5,899	(3,268)	
Basic and diluted earning/(loss) per ordinary share (sen)	(0.40)	(0.07)		1.30	(0.29)	

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 2024.

REX INDUSTRY BHD

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 31 MARCH 2025 (Unaudited)

	Share capital	Non- distributable Translation reserve	Warrant reserve	Other reserve	Retained profits /(Accumulated losses)	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2023	113,717	(1,569)	2,093	(2,093)	(8,586)	103,562
Foreign currency translation difference for foreign operations	-	(3,211)	-	-	-	(3,211)
Defined benefit plan actuarial gain	-	-	-	-	177	177
Total other comprehensive (loss)/income for the year	-	(3,211)	-	-	177	(3,034)
Loss for the financial year	-	-	-	-	(4,167)	(4,167)
Total comprehensive loss for the year	-	(3,211)	-	-	(3,990)	(7,201)
At 30 June 2024	113,717	(4,780)	2,093	(2,093)	(12,576)	96,361
At 1 July 2024	113,717	(4,780)	2,093	(2,093)	(12,576)	96,361
Foreign currency translation difference for foreign operations	-	(2,677)	-	-	-	(2,677)
Total other comprehensive (loss)/income for the period	-	(2,677)	-	-	-	(2,677)
Profit for the financial period	-	-	-	-	8,576	8,576
Total comprehensive income/(loss) for the period	-	(2,677)	-	-	8,576	5,899
At 31 March 2025	113,717	(7,457)	2,093	(2,093)	(4,000)	102,260

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 2024.

REX INDUSTRY BHD

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 31 MARCH 2025 (Unaudited)

	<i>Current Period Ended 31/03/2025 RM'000</i>	<i>Preceding Period Ended 31/03/2024 RM'000</i>
Cash flows from operating activities		
Profit /(Loss) before tax	8,772	(1,956)
Adjustments for :		
Allowance for obsolete and slow-moving inventories	3,325	-
Depreciation of property, plant and equipment	1,091	1,524
Depreciation of right-of-use assets	30	183
Depreciation of investment properties	9	55
Gain on lease termination	-	(9)
Impairment loss on trade receivables	1,229	-
Interest expense	1,022	1,316
Interest income	(540)	(94)
Loss/(Gain) on disposal of:		
- Investment properties	(383)	-
- Asset held for sale	(15,005)	-
Provision of staff termination benefits	912	-
Unrealised loss on foreign exchange	22	251
Operating period before changes in working capital	484	1,270
Changes in working capital :		
Inventories	4,264	4,017
Receivables	(6,799)	(682)
Payables	(12,975)	366
Cash from/(used in) operations	(15,026)	4,971
Interest received	540	94
Interest paid	(1,022)	(1,316)
Tax paid	(463)	(635)
Net cash from/(used in) operating activities	(15,971)	3,114
Cash flows from investing activities		
Acquisition of property, plant and equipment	(522)	(2,315)
Proceeds from disposal of:		
- Investment properties	5,700	-
- Asset held for sale	41,800	-
Net cash from/(used in) investing activities	46,978	(2,315)
Cash flows from financing activities		
Drawdown/(Repayment) of bank borrowings	2,241	(6,290)
Payment for the principal portion of lease liabilities	(65)	(79)
Net cash from/(used in) financing activities	2,176	(6,369)
Net increase/(decrease) in cash and cash equivalents	33,183	(5,570)
Cash and cash equivalents at the beginning of the financial period	7,473	16,292
Effect of exchange rate changes on cash and bank balances	504	310
Cash and cash equivalents at end of the financial period	41,160	11,032

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD 31 MARCH 2025 (Unaudited)

Cash and cash equivalents comprise of the following:-

	31/03/2025	31/03/2024
	RM'000	RM'000
Cash and bank balances	4,329	3,344
Fixed deposit with licensed bank	794	937
Money market deposit	37,836	9,070
	42,959	13,351
Less: Bank overdrafts	(1,799)	(2,319)
	41,160	11,032

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 2024.

REX INDUSTRY BHD

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

SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD 31 MARCH 2025 (Unaudited)

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 2024. 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 2024. 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

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
Amendments to MFRS 107 and MFRS 7	Disclosures – Supplier Finance Arrangements

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:

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability	Effective Date after 1 January 2025
Amendments to MFRS 9 and MFRS 7	Disclosures – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to MFRS Accounting Standards	Volume 11	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability	1 January 2027
MFRS 101	Presentation of Financial Statements will be withdrawn on the application of MFRS 18	1 January 2027
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 2024 was not qualified.

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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD 31 MARCH 2025 (Unaudited)

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

Saved for the Disposal as disclosed in Note 20, 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

Period ended 31 March 2025

	Revenue RM'000	Non-current assets RM'000
Malaysia	42,455	30,068
United States of America	32,398	-
Canada	12,809	-
Europe	11,801	-
Asia (Excludes Malaysia)	4,618	14,224
Consolidated	104,081	44,292

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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD 31 MARCH 2025 (Unaudited)

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 2024.

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

	31/03/2025 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	27,241

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:

	31/03/2025 RM'000
Approved and contracted for:	
- Machineries	136

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	
	31/03/2025 RM'000	31/03/2024 RM'000	31/03/2025 RM'000	31/03/2024 RM'000
Services from related parties				
- Providing of vehicle fleet management services	55	31	127	94
- Transportation, freight handling services and warehouse management	580	1,015	3,332	2,862
- Purchase of tickets and tour arrangement	-	10	16	42

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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD 31 MARCH 2025 (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 31/03/2025 RM'000	3 months ended 31/03/2024 RM'000
Revenue	31,434	35,603
Loss before tax	(2,450)	(519)

The Group recorded 11.7% decline in revenue to RM31.4 million for the 3rd quarter ended 31 March 2025 from RM35.6 million in the corresponding quarter last year. The decrease in revenue was mainly due to lower demand from Malaysia's domestic market during the quarter under review.

The Group recorded a loss before tax of RM2.5 million compared to loss before tax of RM0.5 million incurred in the corresponding quarter last year. The loss was mainly due to one-off provision of allowance for obsolete & slow-moving inventories and impairment loss on trade receivables.

16. Material change in Profit/(Loss) Before Taxation reported on as compared with the immediate preceding quarter

	3 months ended 31/03/2025 RM'000	3 months ended 31/12/2024 RM'000
Revenue	31,434	31,414
Loss before tax	(2,450)	(2,904)

The Group recorded revenue of RM31.4 million for the 3rd quarter ended 31 March 2025 which was similar to the revenue achieved in the preceding quarter.

The Group recorded a loss before tax of RM2.5 million as compared to preceding quarter's loss before tax of RM2.9 million. This reduced loss is attributed to improved profit margins achieved by our Indonesian subsidiary.

17. Current year prospects

The Group's business is expected to continue facing increasing cost pressures arising from higher raw material prices, ongoing foreign exchange fluctuations, uncertain global economic outlook from USA imposed tariffs, softer trade & consumer sentiment and persistent inflationary headwinds. These challenges may weigh on the Group's earnings and overall results.

Nonetheless, the Group will remain focused on enhancing our performance by investing in our brands and people, improving margins from our products mix and driving operational efficiencies to support the Group's business growth.

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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD 31 MARCH 2025 (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	
	31/03/2025 RM'000	31/03/2024 RM'000	31/03/2025 RM'000	31/03/2024 RM'000
Current income tax				
Malaysia	-	-	-	-
Overseas	(205)	24	(205)	24
	<u>(205)</u>	<u>24</u>	<u>(205)</u>	<u>24</u>
Deferred tax				
Reversal of temporary differences	3	3	9	10
	<u>(202)</u>	<u>27</u>	<u>(196)</u>	<u>34</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 ("SPA") 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 received shareholders approval at Extraordinary General Meeting held on 10 July 2024.

On 23 July 2024, on behalf of the board, UOB Kay Hian Securities (M) Sdn Bhd announced that the conditions precedent of the SPA have been fulfilled on 22 July 2024 and the SPA has turned unconditional on even date.

On 30 September 2024, the balance of Disposal consideration of RM37.62 million has been paid by the Purchaser. The Disposal has been deemed completed on even date.

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 proposals

- a) 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 is as follows:-

Details of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Unutilised proceeds RM'000	Timeframe for utilisation after extension of time
Business expansion	10,000	(5,846)	4,154	within 30 months
Working capital	5,882	(5,882)	-	
Expenses for corporate exercise	560	(560)	-	
	<u>16,442</u>	<u>(12,288)</u>	<u>4,154</u>	

- b) The Company had on 30 September 2024 completed 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 ("Disposal"). The status of the utilisation of proceeds derived from this Disposal is as follows:-

Details of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Unutilised proceeds RM'000	Timeframe for utilisation
Repayment of bank borrowings	21,046	(20,870)	176	within 12 months
Working capital	16,803	(9,396)	7,407	within 24 months
Expenses for corporate exercise	3,951	(3,951)	-	within 3 months
	<u>41,800</u>	<u>(34,217)</u>	<u>7,583</u>	

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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD 31 MARCH 2025 (Unaudited)

22. Group borrowings

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

As at 31 March 2025	Payable within 12 months RM'000	Payable after 12 months RM'000
Denominated in RM		
Bank overdraft	1,799	-
Bankers' acceptance	8,477	-
Term loans	895	5,861
Denominated in USD		
Bankers' acceptance	10,096	-
	<u>21,267</u>	<u>5,861</u>
As at 30 June 2024		
Denominated in RM		
Bank overdraft	1,760	-
Bankers' acceptance	7,950	-
Revolving credit	-	-
Term loans	1,515	6,389
Denominated in USD		
Bankers' acceptance	7,235	-
	<u>18,460</u>	<u>6,389</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 2025.

25. Profit/(Loss) before tax

	Individual Quarter Quarter Ended		Cumulative Quarter Period Ended	
	31/03/2025 RM'000	31/03/2024 RM'000	31/03/2025 RM'000	31/03/2024 RM'000
Profit/(Loss) before tax is arrived at after charging/(crediting):				
Allowance for obsolete and low-moving inventories	1,748	-	3,325	-
Depreciation of property, plant and equipment	402	524	1,091	1,524
Depreciation of right-of-use assets	-	63	30	183
Depreciation of investment properties	-	28	9	55
Gain on disposal on other investment	-	(9)	-	(9)
Impairment loss on trade receivables	1,229	-	1,229	-
Interest expense	368	383	1,022	1,316
Interest income	(311)	(27)	(540)	(94)
Loss/(Gain) on disposal of:				
-Investment properties	(424)	-	(383)	-
-Asset held for sale	-	-	(15,005)	-
Provision of staff termination benefits	(588)	-	912	-
Realised (gain)/loss on foreign exchange	443	(49)	526	55
Unrealised (gain)/loss on foreign exchange	(283)	(31)	22	251

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**SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD 31 MARCH 2025 (Unaudited)**

26. Earnings per ordinary share

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

	Individual Quarter Quarter Ended		Cumulative Quarter Period Ended	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024
Basic earning/(loss) per share:				
Profit/(Loss) after tax attributable to owners of the Company (RM'000)	(2,652)	(492)	8,576	(1,922)
Weighted average number of shares in issue ('000)	657,671	657,671	657,671	657,671
Basic earning/(loss) per share (sen)	(0.40)	(0.07)	1.30	(0.29)

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