

MEGROUP LTD.

(Incorporated in the Republic of Singapore on 7 February 2018)
(Company Registration Number: 201804996H)

**Condensed Interim Financial Statements
For The Six Months and Full Year Ended 31 March 2022**

*This announcement has been prepared by MeGroup Ltd (the “**Company**”) and its contents have been reviewed by the Company’s Sponsor, UOB Kay Hian Private Limited (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group Six Months Ended			Group Twelve Months Ended		
	31-Mar-22 RM	31-Mar-21 RM	+ / (-) %	31-Mar-22 RM	31-Mar-21 RM	+ / (-) %
Revenue	175,093,286	121,124,205	44.6	255,363,672	208,933,451	22.2
Cost of sales	(159,678,927)	(109,593,805)	45.7	(234,213,388)	(186,928,981)	25.3
Gross profit	15,414,359	11,530,400	33.7	21,150,284	22,004,470	(3.9)
Other income	603,278	646,554	(6.7)	1,329,595	1,262,216	5.3
Other gains and losses, net	551,383	304,934	80.8	629,609	351,520	79.1
Expenses						
– Selling and distribution	(3,179,200)	(2,251,711)	41.2	(5,060,901)	(4,156,798)	21.7
– Administrative	(9,293,854)	(8,700,696)	6.8	(17,120,109)	(15,392,874)	11.2
– Finance	(1,540,822)	(904,809)	70.3	(2,720,781)	(2,045,291)	33.0
(Loss)/Profit before tax	2,555,144	624,672	309.0	(1,792,303)	2,023,243	(188.6)
Income tax expense	(716,699)	(779,059)	(8.0)	(1,507,794)	(1,256,504)	20.0
Total comprehensive (loss) / income, representing net profit for the financial period	1,838,445	(154,387)	1290.8	(3,300,097)	766,739	(530.4)
Total comprehensive (loss) / income, representing net (loss) / profit attributable to:						
Equity holders of the Company	1,809,182	(224,675)	905.2	(3,125,455)	560,993	(657.1)
Non-controlling interests	29,263	70,288	(58.4)	(174,642)	205,746	(184.9)
	1,838,445	(154,387)	1290.8	(3,300,097)	766,739	(530.4)
Earnings per share for (loss) / profit attributable to equity holders of the company (Sen)						
Basic and diluted	1.51	(0.19)	894.7	(2.61)	0.47	(655.3)

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	As at		As at	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM	RM	RM	RM
ASSETS				
Current assets				
Cash and cash equivalents	11,834,368	10,931,084	195,338	382,232
Trade and other receivables	23,755,132	17,942,878	5,220,633	5,478,511
Tax recoverable	1,591,238	1,911,124	-	-
Inventories	13,718,761	12,014,816	-	-
Total current assets	50,899,499	42,799,902	5,415,971	5,860,743
Non-current assets				
Property, plant and equipment	34,275,721	28,639,737	-	-
Right-of-use assets	42,619,837	35,583,857	-	-
Investment in subsidiaries	-	-	26,094,134	26,094,134
Intangible assets	1,315,662	1,978,571	-	-
Total non-current assets	78,211,220	66,202,165	26,094,134	26,094,134
Total assets	129,110,719	109,002,067	31,510,105	31,954,877
LIABILITIES				
Current liabilities				
Trade and other payables	16,151,101	14,206,603	141,955	230,268
Current income tax liabilities	225,233	37,436	-	-
Borrowings	22,513,190	6,211,280	3,099,500	-
Lease liabilities	3,719,104	3,361,495	-	-
Total current liabilities	42,608,628	23,816,814	3,241,455	230,268
Non-current liabilities				
Borrowings	20,020,914	18,857,732	-	-
Lease liabilities	23,832,123	18,554,818	-	-
Deferred income tax liabilities	3,030,924	2,614,010	-	-
Total non-current liabilities	46,883,961	40,026,560	-	-
Total liabilities	89,492,589	63,843,374	3,241,455	230,268
NET ASSETS	39,618,130	45,158,693	28,268,650	31,724,609
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	37,356,382	37,356,382	37,356,382	37,356,382
Retained earnings / (accumulated losses)	25,428,342	30,944,263	(9,087,732)	(5,631,773)
Other reserves	(24,360,992)	(24,360,992)	-	-
Total equity attributable to equity holders of the Company	38,423,732	43,939,653	28,268,650	31,724,609
Non-controlling interests	1,194,398	1,219,040	-	-
Total equity	39,618,130	45,158,693	28,268,650	31,724,609

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Group						
	Share capital	Merger reserve	Capital reserve	Retained profits	Attributable to equity holders of the Company	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM
As at 1 April 2021	37,356,382	(24,594,282)	233,290	30,944,263	43,939,653	1,219,040	45,158,693
Total comprehensive loss for the financial year	-	-	-	(3,125,455)	(3,125,455)	(174,642)	(3,300,097)
Incorporation of subsidiary corporation	-	-	-	-	-	150,000	150,000
Dividend paid	-	-	-	(2,390,466)	(2,390,466)	-	(2,390,466)
As at 31 March 2022	37,356,382	(24,594,282)	233,290	25,428,342	38,423,732	1,194,398	39,618,130
As at 1 April 2020	37,356,382	(24,594,282)	233,290	30,383,270	43,378,660	1,013,294	44,391,954
Total comprehensive income for the financial year	-	-	-	560,993	560,993	205,746	766,739
As at 31 March 2021	37,356,382	(24,594,282)	233,290	30,944,263	43,939,653	1,219,040	45,158,693

	Company		
	Share capital	Accumulated losses	Total equity
	RM	RM	RM
As at 1 April 2021	37,356,382	(5,631,773)	31,724,609
Total comprehensive loss for the financial year	-	(1,065,493)	(1,065,493)
Dividend paid	-	(2,390,466)	(2,390,466)
As at 31 March 2022	37,356,382	(9,087,732)	28,268,650
As at 1 April 2020	37,356,382	(4,677,218)	32,679,164
Total comprehensive loss for the financial year	-	(954,555)	(954,555)
As at 31 March 2021	37,356,382	(5,631,773)	31,724,609

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	Twelve Months Ended	
	31-Mar-22	31-Mar-21
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/ profit before income tax	(1,792,303)	2,023,243
Adjustments for:		
Amortisation of intangible assets	662,909	662,909
Depreciation of property, plant and equipment	3,739,655	3,160,145
Depreciation of right-of-use assets	4,349,765	3,819,323
(Gain)/Loss on disposal of property, plant and equipment	876	(13,897)
Gain on disposal of right-of-use assets	(397,350)	(222,210)
Interest income	(54,060)	(54,413)
Interest expense	2,720,781	2,045,291
	<u>9,230,273</u>	<u>11,420,391</u>
Changes in working capital:		
- Trade and other receivables	(5,812,254)	(4,806,313)
- Inventories	(1,703,945)	3,364,268
- Trade and other payables	(29,109)	(770,400)
Cash (used in)/ generated from operations	1,684,965	9,207,946
Income tax paid	(884,534)	(2,093,192)
Income tax refunded	301,337	190,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,101,768</u>	<u>7,304,754</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(9,381,115)	(3,503,442)
Additions to right-of-use assets	(432,265)	(2,100,000)
Proceeds from disposal of property, plant and equipment	4,600	113,000
Proceeds from disposal of right-of-use assets	1,172,140	441,200
Interest received	54,060	54,413
NET CASH USED IN INVESTING ACTIVITIES	<u>(8,582,580)</u>	<u>(4,994,829)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Fixed deposits pledged to licensed banks	(584,116)	(1,606,585)
Proceeds from bank borrowings	16,247,574	3,894,216
Repayment of bank borrowings	(1,946,944)	(4,206,674)
Repayment to lease liabilities	(4,141,429)	(3,135,461)
Dividend paid	(2,390,466)	-
Interest paid	(2,220,397)	(2,045,291)
Capital contribution from non-controlling interest	150,000	-
NET CASH PROVIDED BY/ (USED IN) FINANCING ACTIVITIES	<u>5,114,222</u>	<u>(7,099,795)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS	(2,366,590)	(4,789,870)
Beginning of financial year	6,545,078	11,334,948
End of the financial period	<u>4,178,488</u>	<u>6,545,078</u>

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

Note:

For the purpose of presenting the statement of cash flows, the cash and cash equivalents comprise the following:

	Group	
	Twelve Months Ended	
	31-Mar-22	31-Mar-21
	RM	RM
Cash and bank balances	11,834,368	10,931,084
Less: Short-term bank deposits pledged	(4,622,394)	(1,936,636)
Less: Bank overdraft	(3,033,486)	(2,449,370)
	<u>4,178,488</u>	<u>6,545,078</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

The Company is listed on Catalist, the sponsor-supervised listing platform in SGX-ST and incorporated and domiciled in Singapore. The address of the Company's registered office is located at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535. These condensed interim consolidated financial statements as at and for the financial year ended 31 March 2022 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries comprise:

- (a) Manufacturing of noise, vibration and harshness ("NVH") components and other non-NVH components;
- (b) Trading of motor vehicles and providing support services relating to the business; and
- (c) Investment holding.

The Company's immediate holding company is JCWW Holdings Pte. Ltd. ("JCWW"), a company incorporated in Singapore.

As at 31 March 2022, JCWW owns 51.23% of the issued and paid-up ordinary shares in the Company.

2. Basis of Preparation

The condensed interim financial statements for the financial year ended 31 March 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim condensed financial statements for the period ended 30 September 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Malaysian Ringgit ("RM" or "MYR") which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

The Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for annual periods beginning or after 1 April 2021. The adoption of these new or revised SFRS(I) and SFRS(I) INT did not result in changes to the Group's accounting policies and had no material impact on the financial results of the Group for the current reporting period.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Basis of Preparation (Continued)

2.2 Use of Estimates, Assumptions and Judgements

In preparing the condensed interim financial statements, management has made estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about estimates, assumptions and judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

- (a) Depreciation of property, plant and equipment.
- (b) Impairment of trade receivables.
- (c) Net realisable value of inventories.
- (d) Leases.

There were no significant changes in critical judgements, estimates and assumptions as compared to the consolidated financial statements as at and for the year ended 31 March 2021.

3. Seasonal Operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Segment and Revenue Information

The Group is organised into the following main business segments:

- (a) Manufacturing business;
- (b) Dealership business; and
- (c) Other – Investment Holding.

The Group's chief operating decision-maker ("CODM") comprises of the directors and the heads of each business within the operating segment. Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions, allocate resources and assess performance.

4.1 Reportable Segments

By business segment:

	Manufacturing Business (RM)	Dealership Business (RM)	Other (RM)	Total (RM)
6 months ended 31 March 2022:				
Total segment sales, representing sales to external parties	<u>20,413,613</u>	<u>154,679,673</u>	<u>-</u>	<u>175,093,286</u>
Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA")	3,747,310	5,311,090	(450,299)	8,608,101
Depreciation expense	(1,445,021)	(2,744,303)	-	(4,189,324)
Amortisation expense	-	(331,455)	-	(331,455)
Interest expense	(443,435)	(1,074,595)	(22,792)	(1,540,822)
Interest income	782	7,816	46	8,644
Profit/(Loss) before tax	<u>1,859,636</u>	<u>1,168,553</u>	<u>(473,045)</u>	<u>2,555,144</u>
6 months ended 31 March 2021:				
Total segment sales, representing sales to external parties	<u>18,674,352</u>	<u>102,449,853</u>	<u>-</u>	<u>121,124,205</u>
Adjusted EBITDA	3,138,302	2,775,325	(542,328)	5,371,299
Depreciation expense	(1,354,861)	(2,184,046)	-	(3,538,907)
Amortisation expense	-	(331,455)	-	(331,455)
Interest expense	(257,579)	(647,230)	-	(904,809)
Interest income	27,584	593	367	28,544
Profit/ (Loss) before tax	<u>1,553,446</u>	<u>(386,813)</u>	<u>(541,961)</u>	<u>624,672</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Segment and Revenue Information (Continued)

4.1 Reportable Segments (Continued)

By business segment:

	Manufacturing Business (RM)	Dealership Business (RM)	Other (RM)	Total (RM)
12 months ended 31 March 2022:				
Total segment sales, representing sales to external parties	<u>29,891,844</u>	<u>225,471,828</u>	<u>-</u>	<u>255,363,672</u>
Adjusted EBITDA	3,579,473	7,147,598	(1,100,324)	9,626,747
Depreciation expense	(2,804,315)	(5,285,105)	-	(8,089,420)
Amortisation expense	-	(662,909)	-	(662,909)
Interest expense	(726,122)	(1,960,432)	(34,227)	(2,720,781)
Interest income	<u>22,447</u>	<u>31,567</u>	<u>46</u>	<u>54,060</u>
Profit/ (Loss) before tax	<u>71,483</u>	<u>(729,281)</u>	<u>(1,134,505)</u>	<u>(1,792,303)</u>
Segment assets	50,936,694	76,181,351	401,436	127,519,481
Tax recoverable				<u>1,591,238</u>
Total assets per statement of financial position				<u>129,110,719</u>
Segment liabilities	7,989,068	7,976,218	185,815	16,151,101
Borrowings				42,534,104
Current income tax liabilities				225,233
Deferred tax liabilities				3,030,924
Lease liabilities				<u>27,551,227</u>
Total liabilities per statement of financial position				<u>89,492,589</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Segment and Revenue Information (Continued)

4.1 Reportable Segments (Continued)

By business segment:

	Manufacturing Business (RM)	Dealership Business (RM)	Other (RM)	Total (RM)
12 months ended 31 March 2021:				
Total segment sales, representing sales to external parties	<u>30,381,008</u>	<u>178,552,443</u>	<u>-</u>	<u>208,933,451</u>
Adjusted EBITDA	5,168,435	7,529,683	(1,041,620)	11,656,498
Depreciation expense	(2,689,758)	(4,289,710)	-	(6,979,468)
Amortisation expense	-	(662,909)	-	(662,909)
Interest expense	(571,188)	(1,474,103)	-	(2,045,291)
Interest income	<u>50,032</u>	<u>4,014</u>	<u>367</u>	<u>54,413</u>
Profit/ (Loss) before tax	<u>1,957,521</u>	<u>1,106,975</u>	<u>(1,041,253)</u>	<u>2,023,243</u>
Segment assets	44,087,698	62,345,701	657,544	107,090,943
Tax recoverable				<u>1,911,124</u>
Total assets per statement of financial position				<u>109,002,067</u>
Segment liabilities	4,712,766	9,194,633	299,204	14,206,603
Borrowings				25,069,012
Current income tax liabilities				37,436
Deferred tax liabilities				2,614,010
Lease liabilities				<u>21,916,313</u>
Total liabilities per statement of financial position				<u>63,843,374</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Segment and Revenue Information (Continued)

4.2 Disaggregation of Revenue

	Manufacturing Business (RM)	Dealership Business (RM)	Other (RM)	Total (RM)
6 months ended 31 March 2022:				
Types of goods or services:				
Sales of NVH components and other non-NVH components	20,413,613	-	-	20,413,613
Sales of automobiles	-	145,574,844	-	145,574,844
After-sales automobile services	-	6,589,472	-	6,589,472
Incentives received from distributors	-	1,295,998	-	1,295,998
Handling fees	-	806,691	-	806,691
Agency fee income	-	412,668	-	412,668
Total revenue	<u>20,413,613</u>	<u>154,679,673</u>	<u>-</u>	<u>175,093,286</u>
Timing of revenue recognition:				
At a point in time	<u>20,413,613</u>	<u>154,679,673</u>	<u>-</u>	<u>175,093,286</u>
Total revenue	<u>20,413,613</u>	<u>154,679,673</u>	<u>-</u>	<u>175,093,286</u>
6 months ended 31 March 2021:				
Types of goods or services:				
Sales of NVH components and other non-NVH components	18,674,352	-	-	18,674,352
Sales of automobiles	-	98,786,890	-	98,786,890
After-sales automobile services	-	1,984,412	-	1,984,412
Incentives received from distributors	-	607,529	-	607,529
Handling fees	-	568,252	-	568,252
Agency fee income	-	502,770	-	502,770
Total revenue	<u>18,674,352</u>	<u>102,449,853</u>	<u>-</u>	<u>121,124,205</u>
Timing of revenue recognition:				
At a point in time	<u>18,674,352</u>	<u>102,449,853</u>	<u>-</u>	<u>121,124,205</u>
Total revenue	<u>18,674,352</u>	<u>102,449,853</u>	<u>-</u>	<u>121,124,205</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Segment and Revenue Information (Continued)

4.2 Disaggregation of Revenue (Continued)

	Manufacturing Business (RM)	Dealership Business (RM)	Other (RM)	Total (RM)
12 months ended 31 March 2022:				
Types of goods or services:				
Sales of NVH components and other non-NVH components	29,891,844	-	-	29,891,844
Sales of automobiles	-	210,416,117	-	210,416,117
After-sales automobile services	-	11,565,103	-	11,565,103
Incentives received from distributors	-	1,725,193	-	1,725,193
Handling fees	-	1,144,166	-	1,144,166
Agency fee income	-	621,249	-	621,249
Total revenue	<u>29,891,844</u>	<u>225,471,828</u>	<u>-</u>	<u>255,363,672</u>
Timing of revenue recognition:				
At a point in time	<u>29,891,844</u>	<u>225,471,828</u>	<u>-</u>	<u>255,363,672</u>
Total revenue	<u>29,891,844</u>	<u>225,471,828</u>	<u>-</u>	<u>255,363,672</u>
12 months ended 31 March 2021:				
Types of goods or services:				
Sales of NVH components and other non-NVH components	30,381,008	-	-	30,381,008
Sales of automobiles	-	158,881,386	-	158,881,386
After-sales automobile services	-	16,995,089	-	16,995,089
Incentives received from distributors	-	1,331,346	-	1,331,346
Handling fees	-	841,852	-	841,852
Agency fee income	-	502,770	-	502,770
Total revenue	<u>30,381,008</u>	<u>178,552,443</u>	<u>-</u>	<u>208,933,451</u>
Timing of revenue recognition:				
At a point in time	<u>30,381,008</u>	<u>178,552,443</u>	<u>-</u>	<u>208,933,451</u>
Total revenue	<u>30,381,008</u>	<u>178,552,443</u>	<u>-</u>	<u>208,933,451</u>

No geographical information has been prepared as the Group's businesses are in Malaysia.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Financial Assets and Financial Liabilities

	Group		Company	
	As at		As at	
	31-Mar-22 RM	31-Mar-21 RM	31-Mar-22 RM	31-Mar-21 RM
Financial Assets				
Cash and cash equivalents	11,834,368	10,931,084	195,338	382,232
Trade and other receivables	20,560,892	16,999,863	5,163,216	5,414,858
	32,395,260	27,930,947	5,358,554	5,797,090
Financial Liabilities				
Trade and other payables	(12,529,262)	(13,611,052)	(141,955)	(230,268)
Borrowings	(42,534,104)	(25,069,012)	-	-
Lease liabilities	(27,551,227)	(21,916,313)	-	-
	(82,614,593)	(60,596,377)	(141,955)	(230,268)

6. Profit/(Loss) Before Taxation

6.1 Significant Items

	Group		Group	
	Six Months Ended		Twelve Months Ended	
	31-Mar-22 RM	31-Mar-21 RM	31-Mar-22 RM	31-Mar-21 RM
Interest income	8,644	28,544	54,060	54,413
Commission received	77,090	308,795	182,709	360,418
Fees from Yatta Group Sdn. Bhd.	-	22,000	-	50,010
Realised currency exchange gain – net	240,460	133,923	233,167	115,413
(Loss)/Gain on disposal of property, plant and equipment	(876)	9,937	(876)	13,897
Gain on disposal of right-of-use assets	326,409	161,074	397,350	222,210
Sales commission	(2,541,970)	(1,631,532)	(3,735,646)	(2,982,826)
Rental of premises	(267,778)	(167,633)	(464,212)	(264,503)
Salary, wages, allowances and bonus	(4,353,346)	(4,983,748)	(8,042,277)	(8,172,634)
Directors' remuneration	(1,634,387)	(1,434,501)	(3,011,839)	(2,502,941)
Entertainment expenses	(428,465)	(177,076)	(566,052)	(288,532)
Security charges	(214,140)	(220,154)	(429,928)	(465,987)
Depreciation of property, plant and equipment	(1,966,627)	(1,518,609)	(3,739,655)	(3,160,145)
Depreciation of right-of-use assets	(2,222,697)	(2,020,298)	(4,349,765)	(3,819,323)
Amortisation of intangible assets	(331,455)	(331,455)	(662,909)	(662,909)
Interest on borrowings	(1,026,345)	(577,791)	(1,768,584)	(1,228,271)
Interest on lease liabilities	(514,477)	(327,018)	(952,197)	(817,020)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Related Party Transactions

	Group		Group	
	Six Months Ended		Twelve Months Ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM	RM	RM	RM
Management fee received from a related party	-	22,000	-	50,010
Purchase of festive gifts and hampers from a related party	27,510	-	27,510	-
Purchase of property, plant and equipment from a related party	459,067	-	459,067	-

Related party comprise mainly companies which are controlled by the Group's key management personnel, directors and their close family members.

8. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	Group		Group	
	Six Months Ended		Twelve Months Ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM	RM	RM	RM
Profit for the Financial Period / Year:				
- Current income tax	737,160	924,931	737,160	1,481,925
- Deferred income tax	97,225	(138,569)	17,676	(218,118)
	834,385	786,362	754,836	1,263,807
Under / (Over) Provision in Prior Financial Period / Year:				
- Current income tax	(516,924)	(241,767)	353,720	(241,767)
- Deferred income tax	399,238	234,464	399,238	234,464
	(117,686)	(7,303)	752,958	(7,303)
	716,699	779,059	1,507,794	1,256,504

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Dividends

	Group	
	Twelve Months Ended 31-Mar-22 RM	31-Mar-21 RM
Ordinary dividends declared and paid		
Interim one-tier tax exempt dividend of RM0.012 per share for the financial year ended 31 March 2021	1,434,280	-
Special one-tier tax exempt dividend of RM0.008 per share for the financial year ended 31 March 2021	956,186	-
	<u>2,390,466</u>	<u>-</u>
Dividend per share (net of tax)	<u>0.02</u>	<u>-</u>

10. Intangible Assets

	Group			
	Goodwill RM	Customer Relationship RM	License RM	Total RM
At 30 September 2021				
Cost	376,541	98,909	3,878,545	4,353,995
Accumulated amortisation	-	(67,313)	(2,639,565)	(2,706,878)
Net book value	<u>376,541</u>	<u>31,596</u>	<u>1,238,980</u>	<u>1,647,117</u>
Six Months Ended 31 March 2022				
Opening net book amount	376,541	31,596	1,238,980	1,647,117
Amortisation charge	-	(8,243)	(323,212)	(331,455)
Closing net book amount	<u>376,541</u>	<u>23,353</u>	<u>915,768</u>	<u>1,315,662</u>
At 31 March 2022				
Cost	376,541	98,909	3,878,545	4,353,995
Accumulated amortisation	-	(75,556)	(2,962,777)	(3,038,333)
Net book value	<u>376,541</u>	<u>23,353</u>	<u>915,768</u>	<u>1,315,662</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Intangible Assets (Continued)

10.1 Goodwill Impairment

The goodwill of RM376,541 is allocated to the Dealership business where the operations are held in Malaysia.

In assessing whether an impairment is required, the carrying amount of the Cash Generating Unit (“CGU”) is compared with its recoverable amount. The recoverable amount of the CGU was determined based on value-in-use. The value-in-use is determined based on financial budgets approved by management covering a five-year period using the growth rate stated below.

	Dealership business	
	31-Mar-22	31-Mar-21
	%	%
Growth rate ⁽¹⁾	5.0 - 10.0	5.0 - 10.0
Discount rate ⁽²⁾	15.6	15.6

⁽¹⁾ Revenue growth rate used for extrapolation of future revenue for the five-year period

⁽²⁾ Pre-tax discount rate applied to pre-tax cash flow projection

These assumptions were used for the analysis of the CGU. The management estimates discount rate using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rate is based on past performance and expectations on market development.

Based on the five-year projected cash flow, the recoverable amount of the CGU exceed its carrying amount. If the management’s estimated growth rate used in the value-in-use calculation for this CGU had declined by 1%, or the estimated pre-tax discount rate applied to the discounted cash flows for this CGU had been raised to 19% (31 March 2021: 19%), the recoverable amount of the CGU would equal to the carrying amount.

11. Property, Plant and Equipment

During the six months period ended 31 March 2022, the Group acquired assets amounting to RM6,408,618 (31 March 2021: RM2,753,784) and disposed of assets amounting to RM700 (31 March 2021: RM58,000).

12. Borrowings

Group

	As at 31-Mar-22			As at 31-Mar-21		
	Secured RM	Unsecured RM	Total RM	Secured RM	Unsecured RM	Total RM
Amount repayable in one year or less, or on demand	21,947,918	565,272	22,513,190	5,685,797	525,483	6,211,280
Amount repayable after one year	19,715,152	305,762	20,020,914	17,978,072	879,660	18,857,732
Total Borrowings	41,663,070	871,034	42,534,104	23,663,869	1,405,143	25,069,012

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. Borrowings (Continued)

Company	As at 31-Mar-22			As at 31-Mar-21		
	Secured RM	Unsecured RM	Total RM	Secured RM	Unsecured RM	Total RM
Amount repayable in one year or less, or on demand	3,099,500	-	3,099,500	-	-	-
Amount repayable after one year	-	-	-	-	-	-
Total Borrowings	3,099,500	-	3,099,500	-	-	-

As at 31 March 2022, a subsidiary of the Group did not fulfil one of the bank financial covenants which required the subsidiary to maintain a gearing ratio at 3.0 times; failing which, the Bank reserves the right to review the facility. As a result, the Group has reclassified its non-current borrowing amounting to RM7.23 million as current borrowing. The subsidiary is in discussion with the bank and the bank will review the facility upon receipt of the subsidiary's audited financial statements for the financial year ended 31 March 2022. The Group will provide further updates on this matter if and when there is material development in relation thereto.

Details of Collaterals

As at 31 March 2022, the Group's borrowings were secured by:

- Joint and Several Guarantee by certain directors of subsidiary corporations.
- Pledged of the Group's fixed deposits.
- Corporate guarantee by the Company.
- First party and first legal charge over the Group's leasehold land and buildings.
- First party, first and second legal charge over the Group's freehold land.
- Fixed and floating charge on all present and future assets of the Group including the inventories financed by the banks.
- Specific debenture on certain assets of the Group.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Trade and Other Receivables

	Group		Company	
	As at		As at	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM	RM	RM	RM
Trade receivables – non-related parties	17,082,185	13,480,037	-	-
Other receivables				
- Non-related parties	312,100	984,723	31,063	-
- Related party	97,070	574,638	-	-
- Holding corporation	-	15,020	-	15,020
- Subsidiary corporations	-	-	5,132,153	5,399,838
- GST receivable	9,625	48,379	9,625	17,069
- Staff loans	180,727	245,623	-	-
	599,522	1,868,383	5,172,841	5,431,927
Advance payments to suppliers	262,325	470,290	-	-
Deposits	2,888,810	1,699,822	-	-
Prepayments	2,922,290	424,346	47,792	46,584
	23,755,132	17,942,878	5,220,633	5,478,511

The other receivables from related party, holding corporation, subsidiary corporations and staff loans are unsecured, interest free and repayable on demand.

Advance payments to suppliers relate to payment made in advance for the acquisition of tools and machinery.

13.1 Trade Receivables Aging

	Group	
	As at	
	31-Mar-22	31-Mar-21
	RM	RM
Current	16,043,814	11,520,090
<i>Trade receivables days past due:</i>		
1 – 30 days	570,784	1,084,047
31 – 60 days	206,291	510,855
61 – 90 days	79,933	65,119
91 – 120 days	29,580	299,926
121 – 150 days	48,146	-
More than 150 days	103,637	-
	17,082,185	13,480,037

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Trade and Other Payables

	Group		Company	
	As at		As at	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM	RM	RM	RM
Trade payables – non-related parties	6,622,727	8,062,574	-	-
Other payables				
- Non-related parties	2,485,572	3,569,364	3,175	90,157
- Directors	757,856	556,879	-	-
	3,243,428	4,126,243	3,175	90,157
Accruals for operating expenses	2,663,106	1,422,235	138,780	140,111
Advances from customers	2,106,077	330,551	-	-
Deferred income	1,515,763	265,000	-	-
	16,151,101	14,206,603	141,955	230,268

The other payables to directors are unsecured, interest-free and repayable on demand.

Included in deferred income is an amount of RM265,000 (31 March 2021: RM265,000) refers to a Business Development Fund received from non-related party for the purpose of workshop establishment and fund for marketing and sales effort.

15. Share Capital

	Group		Company	
	No. of ordinary shares	Amount	No. of ordinary shares	Amount
	Unit	RM	Unit	RM
At 31 March 2022				
Beginning and end of financial period	119,523,315	37,356,382	119,523,315	37,356,382
At 31 March 2021				
Beginning and end of financial year	119,523,315	37,356,382	119,523,315	37,356,382

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

There were no treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Earnings Per Share

	Group		Group	
	Six Months Ended		Twelve Months Ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM	RM	RM	RM
Total comprehensive income / (loss), representing net profit / (loss) attributable to equity holders of the Company (RM)	1,809,182	(224,675)	(3,125,455)	560,993
Weighted average number of Shares	119,523,315	119,523,315	119,523,315	119,523,315
Earnings per Share ("EPS") - basic and diluted (Sen)	1.51	(0.19)	(2.61)	0.47

Note:

The basic and diluted EPS of the Group for the respective financial period are the same as there were no outstanding convertibles. The basic and diluted EPS was calculated based on the weighted average number of ordinary shares in issue for the respective financial period.

17. Net Asset Value

	Group		Company	
	As at		As at	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Net Asset Value ("NAV") per Share (Sen)	32.15	36.76	23.65	26.54
Equity Attributable to Owners of the Company (RM)	38,423,732	43,939,653	28,268,650	31,724,609
Number of Shares used in computation of NAV per Share	119,523,315	119,523,315	119,523,315	119,523,315

18. Subsequent Events

There are no known subsequent events which have led to adjustments to this set of condensed interim consolidated financial statements.

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Ordinary Shares
As at 30 September 2021 / 31 March 2022	<u>119,523,315</u>

There were no outstanding convertibles, treasury shares or subsidiary holdings at the end of the current financial period, the last financial period reported on, and as at the end of the corresponding period of the immediately preceding financial year.

(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of Ordinary Shares	
	As at	
	31-Mar-22	31-Mar-21
Total number of issued shares excluding treasury shares	119,523,315	119,523,315

There were no treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as the Company did not have any treasury shares as at 31 March 2021 and 31 March 2022.

(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as the Company did not hold any subsidiary holdings as at 31 March 2021 and 31 March 2022.

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (Continued)

2. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

- 3A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- (a) **Updates on the efforts taken to resolve each outstanding audit issue.**

Not applicable.

- (b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Group's Financial Performance

Revenue

Revenue for second half-year period ended 31 March 2022 ("**2H2022**") increased by approximately RM53.97 million or 44.6% from RM121.12 million in second half-year period ended 31 March 2021 ("**2H2021**") to RM175.09 million in 2H2022 and RM46.43 million or 22.2% from RM208.93 million in FY2021 to RM255.36 million in FY2022.

Manufacturing Business

Revenue from manufacturing business increased by RM1.74 million or 9.31% from RM18.67 million in 2H2021 to RM20.41 million in 2H2022. This increase was due to sales demand increased during the economic recovery period after MCO 3.0. However, overall revenue from manufacturing business decreased by RM0.49 million or 1.61% from RM30.38 million in FY2021 to RM29.89 million in FY2022. The decrease was mainly due to temporary production halt for two and a half months under MCO 3.0 ("FMCO") as the Covid-19 pandemic continues to progress and evolve which has resulted no business activity within the lockdown period. Fortunately, the business has recovered speedily in the second-half year period that has minimize the drop in the annual revenue.

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (Continued)

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group's Financial Performance (Continued)

Revenue (Continued)

Dealership Business

Revenue from dealership business increased by RM52.23 million or 51.0% from RM102.45 million in 2H2021 to RM154.68 million in 2H2022 and RM46.92 million or 26.3% from RM178.55 million in FY2021 to RM225.47 million in FY2022. The increase is mainly due to the additional revenue contributed from the operations of Honda Kuala Selangor where business operations have commenced in the new facility with bigger service capacity to take on customers intake services and car showroom since March 2021, operations from second Mitsubishi outlet in Bandar Bukit Raja commenced since April 2021, and operations of Proton Dealership located at Telok Panglima Garang ("**Proton TPG**") which commenced operations in January 2022.

Cost of Sales

Cost of sales increased by approximately RM50.09 million or 45.7% from RM109.59 million in 2H2021 to RM159.68 million in 2H2022 and RM47.28 million or 25.3% from RM186.93 million in FY2021 to RM234.21 million in FY2022.

Manufacturing Business

Cost of sales from manufacturing business increased by RM1.26 million or 9.0% from RM13.88 million in 2H2021 to RM15.13 million in 2H2022. The increase is attributable to the increase in revenue in as mentioned above. In overall, cost of sales from manufacturing business increased by RM0.93 million from RM22.57 million in FY2021 to RM23.51 million in FY2022. The increase is due to fixed manufacturing overhead cost incurred even though no business activity during the lockdown period.

Dealership Business

Cost of sales from dealership business increased by RM46.35 million or 28.2% from RM164.36 million in FY2021 to RM210.71 million in FY2022. The increase is attributable to the increase in revenue as mentioned above.

Gross Profit and Gross Profit Margin

For the reasons discussed above, gross profit increased by RM3.88 million or 33.7% from RM11.53 million in 2H2021 to RM15.41 million in 2H2022 and decreased by RM0.85 million or 3.9% from RM22.00 million in FY2021 to RM21.15 million in FY2022. The decrease from FY2021 to FY2022 was due to a decrease in gross profit from manufacturing business of approximately RM1.42 million from RM7.81 million in FY2021 to RM6.39 million in FY2022. The decrease was off-set by increase of gross profit in dealership business of approximately RM0.57 million from RM14.20 million in FY2021 to RM14.77 million in FY2022.

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (Continued)

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Group's Financial Performance (Continued)

Gross Profit and Gross Profit Margin (Continued)

Overall gross profit margin decreased by approximately 0.7 percentage points from 9.5% in 2H2021 to 8.8% in 2H2022, 2.2 percentage points from 10.5% in FY2021 to 8.3% in FY2022. The gross profit margin of dealership business decreased by 1.5 percentage points from 8.0% in FY2021 to 6.5% in FY2022 mainly due to the significant increase in revenue from sales of automobiles from RM158.88 million in FY2021 to RM210.42 million in FY2022 which generally command lower gross profit margin as compared to the after-sales automobile service. The gross profit margin of manufacturing business increased by 0.2 percentage points from 25.7% in 2H2021 to 25.9% in 2H2022 mainly due to cost savings activity which has been implemented in the second half-year period ended 31 March 2022 to increase the production output by optimize the cost of sales and decreased by 4.3 percentage points from 25.7% in FY2021 to 21.4% in FY2022 mainly due to higher cost of sales as a result of low production output during the MCO3.0 period.

Other Income

Other income decreased by approximately RM0.05 million or 7.2% from RM0.65 million in 2H2021 to RM0.60 million in 2H2022 and increased by RM0.07 million or 5.3% from RM1.26 million in FY2021 to RM1.33 million in FY2022. The slight increase in FY2022 was mainly due to subsidy income received from the Wage Subsidy Program 3.0 and 4.0 introduced by government of Malaysia to ease the financial burden of the employers who are badly affected during FMCO and assist the business to sustain through the Covid-19 pandemic.

Other Gains and Losses, Net

Other gains and losses increased by approximately RM0.25 million or 80.8% from RM0.30 million in 2H2021 to RM0.55 million in 2H2022 and increased by approximately RM0.28 million or 79.1% from RM0.35 million in FY2021 to RM0.63 million in FY2022. The increase in FY2022 was mainly due to increase in realised forex gain from payment to suppliers amounting to RM0.12 million, gain on disposal of right-of-use assets amounting to RM0.18 million, offset by increase in loss on disposal of PPE amounting to RM0.02 million in FY2022.

Selling and Distribution Expenses

Selling and distribution expenses increased by approximately RM0.93 million or 41.2% from RM2.25 million in 2H2021 to RM3.18 million in 2H2022 and RM0.90 million or 21.7% from RM4.16 million in FY2021 to RM5.06 million in FY2022. This was mainly due to the increase in commission and incentive expenses amounting to RM0.75 million, advertisement and promotion amounting to RM0.06 million and sundry expenses amounting to RM0.05 million.

Administrative Expenses

Administrative expenses increased by approximately RM0.59 million or 6.8% from RM8.70 million in 2H2021 to RM9.29 million in 2H2022 and RM1.73 million or 11.2% from RM15.39 million in FY2021 to RM17.12 million in FY2022. This was mainly due to the increase in (i) directors' remuneration amounting to RM0.49 million, (ii) insurance expenses amounting to RM0.13 million, (iii) depreciation expense amounting to RM1.03 million and medical fees amounting to RM0.08 million.

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (Continued)

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group's Financial Performance (Continued)

Finance Expenses

Finance expenses increased by approximately RM0.64 million or 70.3% from RM0.90 million in 2H2021 to RM1.54 million on 2H2022 and increased by approximately RM0.67 million or 33.0% from RM2.05 million in FY2021 to RM2.72 million in FY2022. This was mainly due to the increase in term loan and floor stock financing interest amounting to RM0.53 million and interest in lease liabilities amounting to RM0.14 million.

Profit/(Loss) Before Tax

As a result of the aforementioned, the Group recorded a profit before tax of RM2.55 million in 2H2022 compared to a profit before tax of RM0.62 million, and loss before tax of RM1.79 million in FY2022 compared to a profit before tax of RM2.02 million in FY2021.

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (Continued)

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group's Financial Position

Current assets

Current assets had increased by approximately RM8.10 million or 18.92% from RM42.80 million as at 31 March 2021 to RM50.90 million as at 31 March 2022. This was due to the increase in trade and other receivables by approximately RM5.81 million from RM17.94 million as at 31 March 2021 to RM23.76 million as at 31 March 2022 as a result of higher number of vehicles sales registration in March 2022 where collection by way of customers' bank disbursement received in the following month. Inventories had also increased by approximately RM1.70 million, from RM12.01 million as at 31 March 2021 to RM13.72 million as at 31 March 2022 to stock up inventories in anticipation of supply chain disruption of many car makers.

Non-current assets

Non-current assets increased by approximately RM12.01 million or 18.14% from RM66.20 million as at 31 March 2021 to RM78.21 million as at 31 March 2022. This was mainly due to the increase in property, plant and equipment and right-of-use assets amounting to RM5.64 million and RM7.04 million respectively. The increase in right-of-use assets was mainly due to recognition of right-of-use asset for new lease of the Proton dealership at Telok Panglima Garang, Selangor and new lease of industrial land located at Industrial Zone Phase 1, Kulim Hi-Tech Park, Kulim, Kedah during the financial year.

Current liabilities

Current liabilities increased by approximately RM18.79 million or 78.90% from RM23.82 million as at 31 March 2021 to RM42.61 million as at 31 March 2022. This was largely due to increase in short-term borrowings amounting to RM9.07 million particularly revolving credit, bank overdraft and floor stock facility for working capital purposes and the reclassification of a subsidiary term loan non-current liability amounting to RM7.23 million to current liability as required under SFRS(I) 1-1 (74) Presentation of Financial Statements. Trade and other payable had also increased by approximately RM1.94 million or 13.69% from RM14.21 million as at 31 March 2021 to RM16.15 million as at 31 March 2022 mainly due to purchase of vehicles inventory from the automotive principals in the dealership business and raw materials supplier in the manufacturing business.

Non-current liabilities

Non-current liabilities increased by approximately RM6.86 million or 17.13% from RM40.03 million as at 31 March 2021 to RM46.88 million as at 31 March 2022. This was mainly due to the drawdown of term loan facilities and recognition of lease liabilities for new lease of the Proton dealership at Telok Panglima Garang, Selangor and new lease of industrial land located at Industrial Zone Phase 1, Kulim Hi-Tech Park, Kulim, Kedah during the financial year.

Equity

The decrease in equity of approximately RM5.54 million from RM45.16 million as at 31 March 2021 to RM39.62 million as at 31 March 2022 was mainly due to net loss of RM3.30 million during the financial year and interim and special dividend for the financial year ended 31 March 2021 declared and paid during the financial year amounting to RM2.39 million offset by RM0.15 million additional paid-up capital injected from the non-controlling interest in a subsidiary, MJN Automart Sdn Bhd.

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (Continued)

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group's Cash Flows

The Group recorded net cash provided by operating activities of approximately RM1.10 million mainly due to the operating profit before changes in working capital of RM9.23 million offset with higher trade and other receivables balances by RM5.81 million and higher inventories balances by RM1.70 million and income tax paid amounting to RM0.88 million to the Inland Revenue Board in Malaysia.

The Group recorded net cash used in investing activities of approximately RM8.58 million mainly due to the addition property, plant and equipment totalling RM9.38 million (renovation and signboard in dealership business and manufacturing business amounting to RM3.75 million and RM0.46 million respectively, plant and machinery in the manufacturing business amounting to RM2.26 million and tools and implement in the manufacturing business and dealership business amounting to RM1.57 million and RM0.64 million respectively) and addition in right-of-use assets totalling RM0.43 million, partially offset by the proceeds from the disposal of right-of-use assets amounting to RM1.17 million.

The Group recorded net cash provided by financing activities amounting to RM5.11 million due to drawdown of bank borrowings amounting to RM16.25 million, off-set by (i) fixed deposit pledged amounting to RM0.58 million, (ii) repayment of bank borrowings of approximately RM1.95 million, (iii) repayment of lease liabilities including finance lease of approximately RM4.14 million, (iv) dividend paid amounting to RM2.39 million and (v) interest paid of approximately RM2.22 million during the financial year.

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (Continued)

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Covid-19 pandemic had resulted in unprecedented preventive measures of varying degrees of global population lockdown to curb the outbreak. The lockdown had caused the temporary closure of almost all businesses in many countries. However, some countries are seeing signs of recovery and are gradually opening up their economies and imposing less stringent preventive measures.

The global economy is expected to rebound post-pandemic particularly in Malaysia who will enter the "Transition to Endemic" phase of Covid-19 on 1 April 2022 with all restrictions on business operating hours removed and Covid-19 SOP relaxation starting 1 May 2022.

The Malaysian Automotive Association ("MAA") reported in its press release on 20 January 2022, the 12 months December 2021 calendar year-to-date Total Industry Volume ("TIV") in Malaysia was 508,911 units as compared to the 12 months December 2020 calendar year-to-date TIV totalling 529,514 units. MAA had forecasted 540,000 units of passenger vehicles and 60,000 units of commercial vehicles making the total forecasted TIV for 12 months December 2022 totalling 600,000 units.

The automotive industry may continue to face Covid-19 pandemic related disruption challenges and supply chain issue such as the unpredictable outbreak of the Covid-19 new variant such as the Omicron, shortage of semiconductors chips and rising cost of freight charges which may affect the economic growth momentum and in turn the sales of new vehicles. However, the continuation of the sales tax exemption incentives for passenger vehicles until 30 June 2022 is keeping the automotive companies ramping up production and deliveries of vehicles to fulfil backlog and new orders will be the main contributors in improving sales of new motor vehicles.

Premised on the foregoing, the Group is cautiously optimistic about its business performance with the ongoing projects in the manufacturing segment and the new facelift and new models launching by the brand principals in the dealership segment. The Group is continuously looking at opportunities to expand its product offerings in the automotive sector.

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (Continued)

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended);

No.

(b) (i) Amount per share, cents (ii) Previous corresponding period, cents;

Name of dividend	Interim dividend	Special dividend
Dividend type	Cash	Cash
Dividend amount per share (in Malaysia Sen)	1.2 Sen per ordinary share	0.8 Sen per ordinary share
Tax rate	Tax exempt (one tier)	Tax exempt (one tier)

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated);

Not applicable.

(d) The date the dividend is payable;

Not applicable.

(e) the date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and reason(s) for the decision.

There was no dividend declared or recommended for the current reporting period as the Group intends to conserve cash for expansion and other business opportunities.

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (Continued)

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained an IPT mandate.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920
Yatta Group Sdn Bhd ("Yatta")	Yatta is 63.56% owned by Mr Wong Cheong Chee and his immediate family members.	1. Purchase of festive gifts and hampers from a related party – RM27,510 2. Purchase of property, plant and equipment from a related party – RM459,067	Nil.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

18. A breakdown of sales as follows:

	Group		+ / (-) %
	Financial year ended		
	31-Mar-22 RM	31-Mar-21 RM	
Revenue reported for first half year	80,270,386	87,809,246	(8.6)
Profit after tax before deducting non-controlling interests reported for first half year	(5,138,542)	921,126	(657.9)
Revenue reported for second half year	175,093,286	121,124,205	44.6
Profit after tax before deducting non-controlling interests reported for second half year	1,838,445	(154,387)	1,290.8

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (Continued)

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	Financial year ended	
	31-Mar-22 RM	31-Mar-21 RM
Interim dividend	-	1,434,280
Special dividend	-	956,186
Total	-	2,390,466

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relation with any director and / or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any during the year
Wong Sai Hou	46	Mr Wong Sai Hou is the son of our Executive Chairman and CEO, Mr Wong Cheong Chee, and the brother of our Executive Director, Ms Wong Keat Yee.	Head, Group Expansion & Strategy and Head, Dealership since 2018. As Head, Group Expansion & Strategy, Mr Wong Sai Hou is currently responsible for overseeing and settling the growth and expansion strategy of our Group's Manufacturing Business and Dealership Business. As Head, Dealership, Mr Wong Sai Hou also oversees the operation and management of our Group's dealerships.	There is no change during the year.

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (Continued)

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement. (Continued)

Name	Age	Family relation with any director and / or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any during the year
Wong Sai Keat	39	Mr Wong Sai Keat is the son of our Executive Chairman and CEO, Mr Wong Cheong Chee, and the brother of our Executive Director, Ms Wong Keat Yee.	Head of Engineering and R&D, Manufacturing since 2018. As Head of Engineering and R&D, Manufacturing, Mr Wong Sai Keat currently oversees the engineering function of our Manufacturing Business, and is responsible for our product development department, ensuring that the physical properties of our thermobonded felt products meet the requirements of our customers as well as developing new applications for our thermobonded felts. Mr Wong Sai Keat also works closely will our Head of Sales, Manufacturing, Mr Abdul Razak Bin Montel, to maintain and grow the Group's strategic relationship with our customers, principals and suppliers, primarily with a focus on customer, principals and suppliers who are located outside of Malaysia.	There is no change during the year.

BY ORDER OF THE BOARD

Wong Cheong Chee
Executive Chairman and Chief Executive Officer

27 May 2022