

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 2024**

*This announcement has been reviewed by the Company's Sponsor, UOB Kay Hian Private Limited (the "**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the 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-24 RM	31-Mar-23 RM	+ / (-) %	31-Mar-24 RM	31-Mar-23 RM	+ / (-) %
Revenue	240,986,111	217,357,463	10.9	458,641,918	421,491,230	8.8
Cost of sales	(214,214,430)	(196,383,903)	9.1	(410,300,675)	(382,597,107)	7.2
Gross profit	26,771,681	20,973,560	27.6	48,341,243	38,894,123	24.3
Other income	319,741	252,062	26.9	808,226	729,945	10.7
Other gains, net	4,195,474	821,502	410.7	4,400,273	1,496,160	194.1
Expenses						
– Selling and distribution	(5,104,916)	(4,266,226)	19.7	(9,511,811)	(8,267,614)	15.0
– Administrative	(14,012,763)	(11,685,509)	19.9	(24,982,977)	(21,449,571)	16.5
– Finance	(2,387,402)	(1,925,326)	24.0	(4,529,679)	(3,510,734)	29.0
Share of (loss)/ profit from investment in an associated company	(52,512)	12,972	(504.8)	28,497	16,158	76.4
Profit before tax	9,729,303	4,183,035	132.6	14,553,772	7,908,467	84.0
Income tax expense	(4,043,954)	(380,570)	962.6	(5,555,119)	(1,365,359)	306.9
Net profit, representing total comprehensive income for the financial period/ year	5,685,349	3,802,465	49.5	8,998,653	6,543,108	37.5
Net profit and total comprehensive income attributable to:						
Equity holders of the Company	5,598,676	3,690,782	51.7	8,828,155	6,192,858	42.6
Non-controlling interests	86,673	111,683	(22.4)	170,498	350,250	(51.3)
	5,685,349	3,802,465	49.5	8,998,653	6,543,108	37.5
Earnings per share for profit attributable to equity holders of the Company (Sen)						
Basic and diluted	4.68	3.09	51.5	7.39	5.18	42.7

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	As at		As at	
	31-Mar-24 RM	31-Mar-23 RM	31-Mar-24 RM	31-Mar-23 RM
ASSETS				
Current assets				
Cash and cash equivalents	15,758,153	11,905,820	214,648	17,868
Trade and other receivables	32,661,005	29,951,460	1,612,853	1,632,415
Tax recoverable	792,248	1,154,236	-	-
Inventories	37,872,031	26,816,599	-	-
Total current assets	87,083,437	69,828,115	1,827,501	1,650,283
Non-current assets				
Financial assets, at fair value through profit or loss ("FVPL")	177,560	566,320	-	-
Property, plant and equipment	35,605,269	39,246,227	-	-
Trade and other receivables	470,577	-	-	-
Right-of-use assets	62,416,149	42,403,182	-	-
Investments in subsidiary corporations	-	-	26,094,134	26,094,134
Investment in an associated company	963,903	935,406	919,248	919,248
Intangible assets	376,541	652,753	-	-
Total non-current assets	100,009,999	83,803,888	27,013,382	27,013,382
Total assets	187,093,436	153,632,003	28,840,883	28,663,665
LIABILITIES				
Current liabilities				
Trade and other payables	33,237,496	29,540,867	355,914	155,009
Current income tax liabilities	647,161	415,238	-	-
Borrowings	18,474,497	13,387,433	1,535,600	1,634,250
Lease liabilities	4,735,874	4,085,915	-	-
Total current liabilities	57,095,028	47,429,453	1,891,514	1,789,259
Non-current liabilities				
Borrowings	49,436,179	35,398,823	-	-
Lease liabilities	23,658,868	23,698,931	-	-
Deferred income tax liabilities	3,825,843	2,377,838	-	-
Total non-current liabilities	76,920,890	61,475,592	-	-
Total liabilities	134,015,918	108,905,045	1,891,514	1,789,259
NET ASSETS	53,077,518	44,726,958	26,949,369	26,874,406
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)	38,536,982	30,186,920	(10,407,013)	(10,481,976)
Other reserves	(24,397,766)	(24,360,992)	-	-
Total equity attributable to equity holders of the Company	51,495,598	43,182,310	26,949,369	26,874,406
Non-controlling interests	1,581,920	1,544,648	-	-
Total equity	53,077,518	44,726,958	26,949,369	26,874,406

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 2023	37,356,382	(24,594,282)	233,290	30,186,920	43,182,310	1,544,648	44,726,958
Total comprehensive income for the financial year	-	-	-	8,828,155	8,828,155	170,498	8,998,653
Dividend paid	-	-	-	(478,093)	(478,093)	(20,000)	(498,093)
Acquisition of additional interest in a subsidiary corporation	-	-	(36,774)	-	(36,774)	(113,226)	(150,000)
As at 31 March 2024	37,356,382	(24,594,282)	196,516	38,536,982	51,495,598	1,581,920	53,077,518
As at 1 April 2022	37,356,382	(24,594,282)	233,290	25,428,342	38,423,732	1,194,398	39,618,130
Total comprehensive income for the financial year	-	-	-	6,192,858	6,192,858	350,250	6,543,108
Dividend paid	-	-	-	(1,434,280)	(1,434,280)	-	(1,434,280)
As at 31 March 2023	37,356,382	(24,594,282)	233,290	30,186,920	43,182,310	1,544,648	44,726,958

	Company		
	Share capital	Accumulated losses	Total equity
	RM	RM	RM
As at 1 April 2023	37,356,382	(10,481,976)	26,874,406
Total comprehensive income for the financial year	-	553,056	553,056
Dividend paid	-	(478,093)	(478,093)
As at 31 March 2024	37,356,382	(10,407,013)	26,949,369
As at 1 April 2022	37,356,382	(9,087,732)	28,268,650
Total comprehensive income for the financial year	-	40,036	40,036
Dividend paid	-	(1,434,280)	(1,434,280)
As at 31 March 2023	37,356,382	(10,481,976)	26,874,406

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	Twelve Months Ended	
	31-Mar-24	31-Mar-23
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	14,553,772	7,908,467
Adjustments for:		
Amortisation of intangible assets	276,212	662,909
Depreciation of property, plant and equipment	4,884,814	4,292,060
Depreciation of right-of-use assets	5,563,334	4,919,201
Gain on disposal of property, plant and equipment	(4,576,459)	(203,727)
Gain on disposal of right-of-use assets	(169,648)	(221,782)
Interest income	(248,454)	(60,759)
Interest expense	4,529,679	3,510,734
Fair value loss/ (gain) on financial assets, at FVPL	388,760	(566,320)
Share of profit from investment in an associated company	(28,497)	(16,158)
	<u>25,173,513</u>	<u>20,224,625</u>
Changes in working capital:		
- Trade and other receivables	(2,412,024)	(6,196,328)
- Inventories	(11,055,432)	(13,097,838)
- Trade and other payables	3,248,050	13,217,716
Cash generated from operations	14,954,107	14,148,175
Income tax paid	(4,061,155)	(2,160,541)
Income tax refunded	547,953	769,103
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>11,440,905</u>	<u>12,756,737</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(8,523,092)	(10,518,619)
Additions to right-of-use assets	(20,341,220)	(243,027)
Proceeds from disposal of property, plant and equipment	11,030,576	1,464,249
Proceeds from disposal of right-of-use assets	584,036	644,063
Payment by finance lease receivable	399,052	-
Acquisition of interest in an associated company	-	(919,248)
Acquisition of additional interest in a subsidiary	(150,000)	-
Interest received	248,454	60,759
NET CASH USED IN INVESTING ACTIVITIES	<u>(16,752,194)</u>	<u>(9,511,823)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Fixed deposits pledged to licensed banks	(1,308,833)	(779,310)
Proceeds from bank borrowings	22,431,054	13,760,289
Repayment of bank borrowings	(4,876,404)	(3,423,074)
Repayment to lease liabilities	(4,933,026)	(4,480,600)
Dividend paid to equity holders of the Company	(478,093)	(1,434,280)
Dividend paid to non-controlling interest	(20,000)	-
Interest paid	(4,529,679)	(3,510,734)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>6,285,019</u>	<u>132,291</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS	973,730	3,377,205
Beginning of the financial year	7,555,693	4,178,488
End of the financial year	<u>8,529,423</u>	<u>7,555,693</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-24	31-Mar-23
	RM	RM
Cash and bank balances	15,758,153	11,905,820
Less: Short-term bank deposits pledged	(5,121,629)	(3,812,796)
Less: Bank overdraft	(2,107,101)	(537,331)
	<u>8,529,423</u>	<u>7,555,693</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 2024 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 2024, 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 2024 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 2023.

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 2023. 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 2023.

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) Expected credit losses on trade receivables.
- (c) 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 2023.

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 2024:				
Total segment sales, representing sales to external parties	<u>44,922,190</u>	<u>196,063,921</u>	<u>-</u>	<u>240,986,111</u>
Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA")	11,968,620	6,717,272	(1,403,919)	17,281,973
Depreciation of property, plant and equipment	(1,721,432)	(733,530)	(157)	(2,455,119)
Depreciation of right-of-use assets	(446,399)	(2,478,615)	-	(2,925,014)
Amortisation expense	-	-	-	-
Interest expense	(843,313)	(1,489,512)	(54,577)	(2,387,402)
Interest income	59,653	138,824	16,388	214,865
Share of loss from investment in an associated company	-	-	(52,512)	(52,512)
6 months ended 31 March 2023:				
Total segment sales, representing sales to external parties	<u>31,439,139</u>	<u>185,918,324</u>	<u>-</u>	<u>217,357,463</u>
Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA")	4,297,579	7,209,741	(333,032)	11,174,288
Depreciation of property, plant and equipment	(1,377,492)	(806,025)	-	(2,183,517)
Depreciation of right-of-use assets	(350,515)	(2,239,471)	-	(2,589,986)
Amortisation expense	-	(331,455)	-	(331,455)
Interest expense	(658,491)	(1,221,215)	(45,620)	(1,925,326)
Interest income	21,688	16,849	494	39,031
Share of profit from investment in an associated company	-	-	12,972	12,972

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 2024:				
Total segment sales, representing sales to external parties	80,530,260	378,111,658	-	458,641,918
Adjusted EBITDA	18,019,489	13,737,044	(2,197,176)	29,559,357
Depreciation of property, plant and equipment	(3,340,755)	(1,543,745)	(314)	(4,884,814)
Depreciation of right-of-use assets	(858,126)	(4,705,208)	-	(5,563,334)
Amortisation expense	-	(276,212)	-	(276,212)
Interest expense	(1,571,951)	(2,852,116)	(105,612)	(4,529,679)
Interest income	71,090	160,961	16,403	248,454
Share of profit from investment in an associated company	-	-	28,497	28,497
Segment assets				186,301,188
Tax recoverable				792,248
Total assets per statement of financial position				187,093,436
Segment liabilities				33,237,496
Borrowings				67,910,676
Current income tax liabilities				647,161
Deferred tax liabilities				3,825,843
Lease liabilities				28,394,742
Total liabilities per statement of financial position				134,015,918

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 2023:				
Total segment sales, representing sales to external parties	<u>53,804,140</u>	<u>367,687,090</u>	<u>-</u>	<u>421,491,230</u>
Adjusted EBITDA	7,500,717	14,561,913	(830,018)	21,232,612
Depreciation of property, plant and equipment	(2,648,602)	(1,643,458)	-	(4,292,060)
Depreciation of right-of-use assets	(607,026)	(4,312,175)	-	(4,919,201)
Amortisation expense	-	(662,909)	-	(662,909)
Interest expense	(1,129,854)	(2,287,713)	(93,167)	(3,510,734)
Interest income	34,096	25,881	782	60,759
Share of profit of from investment in an associated company	-	-	16,158	16,158
	<u>-</u>	<u>-</u>	<u>16,158</u>	<u>16,158</u>
Segment assets	65,322,891	85,143,739	2,011,137	152,477,767
Tax recoverable				1,154,236
Total assets per statement of financial position				<u>153,632,003</u>
Segment liabilities	13,093,719	16,231,691	215,457	29,540,867
Borrowings				48,786,256
Current income tax liabilities				415,238
Deferred tax liabilities				2,377,838
Lease liabilities				27,784,846
Total liabilities per statement of financial position				<u>108,905,045</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 2024:				
Types of goods or services:				
Sales of NVH components and other non-NVH components	44,922,190	-	-	44,922,190
Sales of automobiles	-	182,157,287	-	182,157,287
After-sales automobile services	-	10,722,269	-	10,722,269
Incentives received from distributors	-	1,679,709	-	1,679,709
Handling fees	-	908,448	-	908,448
Agency fee income	-	596,208	-	596,208
Total revenue	44,922,190	196,063,921	-	240,986,111
Timing of revenue recognition:				
At a point in time	44,922,190	196,063,921	-	240,986,111
Total revenue	44,922,190	196,063,921	-	240,986,111
6 months ended 31 March 2023:				
Types of goods or services:				
Sales of NVH components and other non-NVH components	31,439,139	-	-	31,439,139
Sales of automobiles	-	172,061,165	-	172,061,165
After-sales automobile services	-	10,958,900	-	10,958,900
Incentives received from distributors	-	1,452,511	-	1,452,511
Handling fees	-	925,487	-	925,487
Agency fee income	-	520,261	-	520,261
Total revenue	31,439,139	185,918,324	-	217,357,463
Timing of revenue recognition:				
At a point in time	31,439,139	185,918,324	-	217,357,463
Total revenue	31,439,139	185,918,324	-	217,357,463

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 2024:				
Types of goods or services:				
Sales of NVH components and other non-NVH components	80,530,260	-	-	80,530,260
Sales of automobiles	-	349,980,856	-	349,980,856
After-sales automobile services	-	21,933,010	-	21,933,010
Incentives received from distributors	-	3,295,924	-	3,295,924
Handling fees	-	1,780,572	-	1,780,572
Agency fee income	-	1,121,296	-	1,121,296
Total revenue	80,530,260	378,111,658	-	458,641,918
Timing of revenue recognition:				
At a point in time	80,530,260	378,111,658	-	458,641,918
Total revenue	80,530,260	378,111,658	-	458,641,918
12 months ended 31 March 2023:				
Types of goods or services:				
Sales of NVH components and other non-NVH components	53,804,140	-	-	53,804,140
Sales of automobiles	-	341,470,554	-	341,470,554
After-sales automobile services	-	20,258,800	-	20,258,800
Incentives received from distributors	-	3,058,790	-	3,058,790
Handling fees	-	1,915,089	-	1,915,089
Agency fee income	-	983,857	-	983,857
Total revenue	53,804,140	367,687,090	-	421,491,230
Timing of revenue recognition:				
At a point in time	53,804,140	367,687,090	-	421,491,230
Total revenue	53,804,140	367,687,090	-	421,491,230

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-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM	RM	RM	RM
Financial Assets				
Cash and cash equivalents	15,758,153	11,905,820	214,648	17,868
Trade and other receivables	27,476,258	23,925,534	1,794	1,794
Receivables from subsidiary corporations	-	-	1,544,141	1,569,820
Financial assets, at FVPL	177,560	566,320	-	-
	43,411,971	36,397,674	1,760,583	1,589,482
Financial Liabilities				
Trade and other payables	(30,431,647)	(23,532,197)	(355,914)	(155,009)
Borrowings	(67,910,676)	(48,786,256)	(1,535,600)	(1,634,250)
Lease liabilities	(28,394,742)	(27,784,846)	-	-
	(126,737,065)	(100,103,299)	(1,891,514)	(1,789,259)

6. Profit Before Taxation

6.1 Significant Items

	Group		Group	
	Six Months Ended		Twelve Months Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM	RM	RM	RM
Interest income	163,417	39,031	197,006	60,759
Finance lease interest income	51,448	-	51,448	-
Commission received	55,615	44,899	213,782	73,774
Rental (reversal)/ Income	(131,300)	133,725	(130,700)	138,725
Government grant income	230,455	24,000	230,455	24,000
Realised currency exchange (losses)/ gains – net	(88,570)	102,491	(125,372)	742,909
Unrealised currency exchange gains/ (losses), net	116,237	(52,062)	168,298	(238,578)
Fair value (loss)/ gain on financial assets, at FVPL	(388,760)	566,320	(388,760)	566,320
Gain on disposal of property, plant and equipment	4,476,724	203,727	4,576,459	203,727
Gain on disposal of right-of-use assets	79,842	-	169,648	221,782
Sales commission	(3,706,201)	(3,251,183)	(6,960,749)	(6,451,740)
Rental expenses on short-term lease	(95,133)	(320,044)	(420,445)	(736,250)
Salary, wages, allowances and bonus	(8,813,206)	(5,912,442)	(14,959,589)	(10,888,511)
Directors' remuneration	(3,097,134)	(2,023,359)	(5,065,641)	(3,641,683)
Entertainment expenses	(481,018)	(468,739)	(1,082,895)	(905,296)
Security charges	(264,547)	(238,865)	(499,881)	(478,553)
Depreciation of property, plant and equipment	(2,455,119)	(2,183,517)	(4,884,814)	(4,292,060)
Depreciation of right-of-use assets	(2,925,014)	(2,589,986)	(5,563,334)	(4,919,201)
Amortisation of intangible assets	-	(331,455)	(276,212)	(662,909)
Interest on borrowings	(1,796,658)	(1,379,205)	(3,414,364)	(2,464,424)
Interest on lease liabilities	(590,744)	(546,121)	(1,115,315)	(1,046,310)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Related Party Transactions

	Group		Group	
	Six Months Ended		Twelve Months Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM	RM	RM	RM
Event service expenses	86,436	-	86,436	-

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-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM	RM	RM	RM
Profit for the Financial Period / Year:				
- Current income tax	2,356,485	1,137,018	3,933,942	2,201,356
- Deferred income tax	162,901	939,166	96,609	859,617
- Real property gain tax	262,163	-	262,163	-
	<u>2,781,549</u>	<u>2,076,184</u>	<u>4,292,714</u>	<u>3,060,973</u>
(Over)/ Under Provision in Prior Financial Period / Year:				
- Current income tax	(88,992)	(182,911)	(88,992)	(182,911)
- Deferred income tax	1,351,397	(1,512,703)	1,351,397	(1,512,703)
	<u>1,262,405</u>	<u>(1,695,614)</u>	<u>1,262,405</u>	<u>(1,695,614)</u>
	<u>4,043,954</u>	<u>380,570</u>	<u>5,555,119</u>	<u>1,365,359</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Dividends

	Group	
	Twelve Months Ended 31-Mar-24 RM	31-Mar-23 RM
Ordinary dividends declared and paid		
Interim one-tier tax exempt dividend of RM0.004 per share for the financial year ended 31 March 2024	478,093	-
Interim one-tier exempt dividend of RM0.012 per share for the financial year ended 31 March 2023	-	1,434,280
	<u>478,093</u>	<u>1,434,280</u>
Dividend per share (net of tax)	<u>0.004</u>	<u>0.012</u>

10. Intangible Assets

	Group			
	Goodwill RM	Customer Relationship RM	License RM	Total RM
At 30 September 2023				
Cost	376,541	98,909	3,878,545	4,353,995
Accumulated amortisation	-	(98,909)	(3,878,545)	(3,977,454)
Net book value	<u>376,541</u>	<u>-</u>	<u>-</u>	<u>376,541</u>
Six Months Ended 31 March 2024				
Opening net book amount	376,541	-	-	376,541
Amortisation charge	-	-	-	-
Closing net book amount	<u>376,541</u>	<u>-</u>	<u>-</u>	<u>376,541</u>
At 31 March 2024				
Cost	376,541	98,909	3,878,545	4,353,995
Accumulated amortisation	-	(98,909)	(3,878,545)	(3,977,454)
Net book value	<u>376,541</u>	<u>-</u>	<u>-</u>	<u>376,541</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-24	31-Mar-23
	%	%
Growth rate ⁽¹⁾	5.0 – 10.0	5.0 – 10.0
Discount rate ⁽²⁾	15.4	15.4

⁽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 17% (31 March 2023: 17%), 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 2024, the Group acquired assets amounting to RM3,369,216 (31 March 2023: RM5,090,586) and disposed of assets amounting to RM5,083,779 (31 March 2023: RM1,260,522).

12. Borrowings

Group

	As at 31-Mar-24			As at 31-Mar-23		
	Secured RM	Unsecured RM	Total RM	Secured RM	Unsecured RM	Total RM
Amount repayable in one year or less, or on demand	18,474,497	-	18,474,497	13,083,217	304,216	13,387,433
Amount repayable after one year	49,436,179	-	49,436,179	35,398,823	-	35,398,823
Total Borrowings	67,910,676	-	67,910,676	48,482,040	304,216	48,786,256

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. Borrowings (Continued)

Company	As at 31-Mar-24			As at 31-Mar-23		
	Secured RM	Unsecured RM	Total RM	Secured RM	Unsecured RM	Total RM
Amount repayable in one year or less, or on demand	1,535,600	-	1,535,600	1,634,250	-	1,634,250
Amount repayable after one year	-	-	-	-	-	-
Total Borrowings	1,535,600	-	1,535,600	1,634,250	-	1,634,250

Details of Collaterals

As at 31 March 2024, 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-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM	RM	RM	RM
Non-current				
Finance lease receivables	470,577	-	-	-
Current				
Trade receivables – non-related parties	23,972,029	19,327,865	-	-
Other receivables				
- Non-related parties	599,081	505,116	-	-
- Subsidiary corporations	-	-	1,544,141	1,569,820
- GST receivable	13,001	10,785	13,001	10,785
- Staff loans	144,457	86,015	-	-
	756,539	601,916	1,557,142	1,580,605
Advance payments to suppliers	4,219,382	4,493,567	-	-
Deposits	1,992,592	4,006,538	1,794	1,794
Finance lease receivables	297,522	-	-	-
Prepayments	1,422,941	1,521,574	53,917	50,016
	32,661,005	29,951,460	1,612,853	1,632,415
	33,131,582	29,951,460	1,612,853	1,632,415

The other receivables from 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-24	31-Mar-23
	RM	RM
Current	23,786,423	19,021,734
<i>Trade receivables days past due:</i>		
1 – 30 days	140,802	107,390
31 – 60 days	2,069	3,555
61 – 90 days	15,946	5,799
91 – 120 days	9,421	70,324
121 – 150 days	489	651
More than 150 days	16,879	118,412
	23,972,029	19,327,865

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Trade and Other Payables

	Group		Company	
	As at		As at	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM	RM	RM	RM
Trade payables – non-related parties	22,959,386	18,037,829	-	-
Other payables				
- Non-related parties	2,183,274	1,542,556	121,044	15,104
- Directors	121,044	470,699	-	-
	2,304,318	2,013,255	121,044	15,104
Accruals for operating expenses	5,167,943	3,481,113	234,870	139,905
Advances from customers	1,057,145	1,445,269	-	-
Deferred income	1,748,704	4,563,401	-	-
	33,237,496	29,540,867	355,914	155,009

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 2023: 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.

The remaining balance of deferred income relates to advance billings to customer for development of tooling, moulds and related products that had yet to be delivered as at the end of the reporting period. The transaction price allocated to the unsatisfied performance obligation as of 31 March 2024 will be recognised as revenue according to the future automotive parts to be delivered to the customers

15. Share Capital

	Group		Company	
	No. of ordinary shares	Amount	No. of ordinary shares	Amount
	Unit	RM	Unit	RM
At 31 March 2024				
Beginning and end of financial period	119,523,315	37,356,382	119,523,315	37,356,382
At 31 March 2023				
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-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM	RM	RM	RM
Total comprehensive income, representing net profit attributable to equity holders of the Company (RM)	5,598,676	3,690,782	8,828,155	6,192,858
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)	4.68	3.09	7.39	5.18

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-24	31-Mar-23	31-Mar-24	31-Mar-23
Net Asset Value (“NAV”) per Share (Sen)	43.08	36.13	22.55	22.48
Equity Attributable to Owners of the Company (RM)	51,495,598	43,182,310	26,949,369	26,874,406
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 2023 / 31 March 2024	<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-24	31-Mar-23
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 2023 and 31 March 2024.

(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 2023 and 31 March 2024.

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 2024 ("**2H2024**") increased by approximately RM23.63 million or 10.9% from RM217.36 million in second half-year period ended 31 March 2023 ("**2H2023**") to RM240.99 million in 2H2024; and by approximately RM37.15 million or 8.8% from RM421.49 million in FY2023 to RM458.64 million in FY2024.

Manufacturing Business

Revenue from manufacturing business increased by RM13.48 million or 42.89% from RM31.44 million in 2H2023 to RM44.92 million in 2H2024. Overall revenue from manufacturing business has significantly increased by RM26.73 million or 49.67% from RM53.80 million in FY2023 to RM80.53 million in FY2024. The significant increase was due to launching of new models in the market, which caused the high sales demands from customers and increase in sales orders for existing models.

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 RM10.15 million or 5.5% from RM185.92 million in 2H2023 to RM196.06 million in 2H2024; and by RM10.42 million or 2.8% from RM367.69 million in FY2023 to RM378.11 million in FY2024. The increase in revenue is primarily due to the greater availability of ready stock in new vehicles, which enabled the company to meet the high market demand.

Cost of Sales

Cost of sales increased by approximately RM17.83 million or 9.1% from RM196.38 million in 2H2023 to RM214.21 million in 2H2024; and by approximately RM27.70 million or 7.2% from RM382.6 million in FY2023 to RM410.30 million in FY2024.

Manufacturing Business

Cost of sales from manufacturing business increased by approximately RM8.63 million or 35.41% from RM24.36 million in 2H2023 to RM32.99 million in 2H2024; and by approximately RM17.77 million or 42.01% from RM42.29 million in FY2023 to RM60.06 million in FY2024. The increase is attributable to the increase in revenue as mentioned above.

Dealership Business

Cost of sales from dealership business increased by approximately RM9.21 million or 5.4% from RM172.02 million in 2H2023 to RM181.23 million in 2H2024; and by approximately RM9.94 million or 2.9% from RM340.31 million in FY2023 to RM350.25 million in FY2024. The increase is attributable to the increase in revenue as mentioned above.

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

The Group's gross profit had increased by approximately RM5.80 million or 27.6% from RM20.97 million in 2H2023 to RM26.77 million in 2H2024; and by approximately RM9.45 million or 24.3% from RM38.89 million in FY2023 to RM48.34 million in FY2024. The increase from FY2023 to FY2024 was due to an increase in gross profit from manufacturing business of approximately RM8.96 million from RM11.51 million in FY2023 to RM20.47 million in FY2024. The increase was also due to an increase of gross profit in dealership business of approximately RM0.49 million from RM27.38 million in FY2023 to RM27.87 million in FY2024.

Overall gross profit margin increased by 1.5 percentage points from 9.6% in 2H2023 to 11.1% in 2H2024, and by 1.3 percentage points from 9.2% in FY2023 to 10.5% in FY2024. The gross profit margin of manufacturing business increase by 4 percentage points from 21.4% in FY2023 to 25.4% in FY2024. This was primarily driven by internal cost control measures and an increased supply of higher-margin products. The gross profit margin of dealership business maintained at 7.4% in FY2023 and FY2024.

Other Income

Other income increased by approximately RM0.07 million or 26.9% from RM0.25 million in 2H2023 to RM0.32 million in 2H2024; and by approximately RM0.08 million or 10.7% from RM0.73 million in FY2023 to RM0.81 million in FY2024. The increase in FY2024 was mainly due to increase in (i) bank interest income by RM0.14 million, (ii) scrap of metal by RM0.04 million, (iii) incentive received from principal on the increase of sales in automobiles by RM0.14 million, (iii) government grant income by RM0.21 million, (iv) marketing income by RM0.03 million, (v) storage service income by RM0.06 million and (vi) finance lease income in relation to sub-tenancy of partial retail space in a showroom amounting to RM0.05 million. The increase was offset by the decrease in insurance claim by RM0.32 million and decrease in rental income of approximately RM0.27 million due to the recognition of finance lease receivable in accordance to SFRS(I)16 Leases for rental income derived from subletting part of the retail space in a showroom.

Other Gains and Losses, Net

Other gains and losses increased by approximately RM3.38 million or 410.7% from RM0.82 million in 2H2023 to RM4.20 million in 2H2024; and by approximately RM2.90 million or 194.1% from RM1.50 million in FY2023 to RM4.40 million in FY2024. The significant increase in FY2024 was mainly due to the increase in gain on disposal of property, plant and equipment amounting to RM4.37 million, offset by the decrease in (i) fair value on financial assets at FVPL, from a gain position in FY2023 amounting to RM0.57 million to a loss position in FY2024 amounting to RM0.39 million, (ii) realised and unrealised forex gain arising from payment to suppliers by RM0.46 million, and (iii) gain on disposal of right-of-use assets by RM0.05 million in FY2024.

Selling and Distribution Expenses

Selling and distribution expenses increased by approximately RM0.83 million or 19.7% from RM4.27 million in 2H2023 to RM5.10 million in 2H2024; and by approximately RM1.24 million or 15.0% from RM8.27 million in FY2023 to RM9.51 million in FY2024. The increase in FY2024 was mainly due to the increase in (i) commission and incentive expenses by RM0.51 million, (ii) advertisement and promotion by RM0.33 million, (iii) salary expenses by RM0.31 million, (iv) sundry expenses by RM0.06 million, and (v) entertainment expenses by RM0.03 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)

Administrative Expenses

Administrative expenses increased by approximately RM2.32 million or 19.9% from RM11.69 million in 2H2023 to RM14.01 million in 2H2024; and by approximately RM3.53 million or 16.5% from RM21.45 million in FY2023 to RM24.98 million in FY2024. The increase in FY2024 was mainly due to the increase in (i) directors' remuneration by RM1.42 million, (ii) staff costs, welfare and medical benefit expenses by RM1.12 million, (iii) depreciation expenses by RM0.57 million, (iv) stamp duty expenses by RM0.54 million, (v) insurance expenses by RM0.22 million, (vi) entertainment expenses by RM0.15 million, (vii) upkeep of office equipment by RM0.10 million, (viii) audit, tax agent and secretarial fee by RM0.09 million, (ix) travelling and accommodation expenses by RM0.05 million, (x) bank charges by RM0.04 million, and (xi) security charges by RM0.02 million. The increase was offset by the decrease in amortisation of intangible assets by RM0.39 million and professional fees by RM0.40 million.

Finance Expenses

Finance expenses increased by approximately RM0.46 million or 24.0% from RM1.93 million in 2H2023 to RM2.39 million in 2H2024; and by approximately RM1.02 million or 29.0% from RM3.51 million in FY2023 to RM4.53 million in FY2024. The increase in FY2024 was mainly due to increase in term loan and floor stock financing interest by RM0.95 million and interest on lease liabilities by RM0.07 million.

Profit Before Tax

As a result of the aforementioned, the Group recorded a profit before tax of RM9.73 million in 2H2024 compared to a profit before tax of RM4.18 million in 2H2023, and profit before tax of RM14.55 million in FY2024 compared to a profit before tax of RM7.91 million in FY2023.

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 RM17.25 million or 24.7% from RM69.83 million as at 31 March 2023 to RM87.08 million as at 31 March 2024. This was due to the increase in trade and other receivables by approximately RM2.71 million from RM29.95 million as at 31 March 2023 to RM32.66 million as at 31 March 2024 as a result of higher number of vehicles sales registration in March 2024 where collection by way of customers' bank disbursement was received in the following month and recognition of a finance lease receivable amounting to RM0.30 million as at 31 March 2024 for the sub-tenancy of partial retail space in a showroom. Inventories had increased by approximately RM11.05 million, from RM26.82 million as at 31 March 2023 to RM37.87 million as at 31 March 2024 to stock up inventories to accommodate for sales in the following months. Cash and cash equivalents had increased by approximately RM3.85 million from RM11.91 million as at 31 March 2023 to RM15.76 million as at 31 March 2024. The increase is offset by the decrease in tax recoverable by RM0.36 million from RM1.15 million as at 31 March 2023 to RM0.79 million as at 31 March 2024.

Non-current assets

Non-current assets increased by approximately RM16.21 million or 19.3% from RM83.80 million as at 31 March 2023 to RM100.01 million as at 31 March 2024. This was mainly due to the acquisition of leasehold industrial land with buildings in FY2024.

Current liabilities

Current liabilities increased by approximately RM9.67 million or 20.4% from RM47.43 million as at 31 March 2023 to RM57.10 million as at 31 March 2024. This was mainly due to the increase in trade and other payables by approximately RM3.70 million due to purchase of vehicles inventory from the automotive principals in the dealership business and raw materials supplier in the manufacturing business. Additionally, there was increase in borrowings by RM5.09 million, lease liabilities by RM0.65 million and income tax liabilities by RM0.23 million.

Non-current liabilities

Non-current liabilities increased by approximately RM15.44 million or 25.1% from RM61.48 million as at 31 March 2023 to RM76.92 million as at 31 March 2024. The increase was attributed by increase in borrowings by RM14.04 million mainly due to drawdown of term loan facilities during the financial year and increase in deferred tax liabilities by RM1.45 million. The increase is offset by the decrease in lease liabilities by RM0.05 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 Position (Continued)

Equity

The increase in equity of approximately RM8.35 million from RM44.73 million as at 31 March 2023 to RM53.08 million as at 31 March 2024 was mainly due to total comprehensive income of RM9.00 million during the financial year offset by interim dividend declared and paid during the financial year amounting to RM0.50 million and acquisition of 10% stake in MJN Automart Sdn Bhd by a 80%-owned indirect subsidiary of the Group, MJN Motors Sdn Bhd, from Tan Kian Boon amounting to RM0.15 million.

Review of Group's Cash Flows

The Group recorded net cash generated from operating activities of approximately RM11.44 million mainly due to the operating profit before changes in working capital of RM25.17 million, and increase in trade and other receivables, inventories and trade and other payables by RM2.41 million, RM11.05 million and RM3.25 million respectively. The Group has paid income tax amounting to RM4.06 million based on the estimated tax payable on monthly instalments to the Inland Revenue Board in Malaysia, offset by an income tax refund amounting to RM0.55 million from Inland Revenue Board in Malaysia for tax overpaid in prior years during the financial year.

The Group recorded net cash used in investing activities of approximately RM16.75 million mainly due to the additions to property, plant and equipment totalling RM8.52 million, addition in right-of-use assets totalling RM20.34 million and acquisition of 10% stake in MJN Automart Sdn Bhd by a 80%-owned indirect subsidiary of the Group, MJN Motors Sdn Bhd, from Tan Kian Boon amounting to RM0.15 million. These were partially offset by the proceeds from the disposal of right-of-use assets and property, plant and equipment amounting to RM0.58 million and RM11.03 million respectively, repayment by finance lease receivable amounting to RM0.40 million and interest received from financial institutions amounting to RM0.25 million.

The Group recorded net cash provided by financing activities amounting to RM6.29 million due to drawdown of bank borrowings amounting to RM22.43 million, off-set by (i) fixed deposit pledged amounting to RM1.31 million, (ii) repayment of bank borrowings of approximately RM4.88 million, (iii) repayment of lease liabilities including finance lease of approximately RM4.92 million, (iv) dividend paid amounting RM0.50 million, and (v) interest paid of approximately RM4.53 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 specific 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 Malaysian economy grew at a higher rate of 4.2% in the first quarter of 2024 (4Q 2023: 2.9%), driven by stronger private expenditure and positive turnaround in exports. Household spending was higher amid continued growth in employment and wages. Better investment activities were supported by higher capital spending by both the private and public sectors. The stronger growth in the services sector was driven by higher retail trade activities and continued support from the transport and storage subsector. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 1.4% (4Q 2023: -1%). Credit growth to the private non-financial sector increased to 5.2% (4Q 2023: 4.8%). This was supported by higher growth in outstanding loans to both businesses (4.9%; 4Q 2023: 3.7%) and households (6.2%; 4Q 2023: 5.7%) while outstanding corporate bonds growth grew at a more moderate pace (3.2%; 4Q 2023: 4.2%). The higher business loan growth was driven mainly by higher growth in investment-related loans. For households, outstanding loan growth was higher across most loan purposes, reflecting continued demand for loans, particularly for the purchase of housing and cars. (*Source: Press Release by Bank Negara Malaysia*).

Sales of new motor vehicles in 2023 rose 11% to a new all-time high, propelled mainly by passenger cars sub-segment, amid a resilient domestic economy and a very much stable socio-political environment. Total Industry Volume ("TIV") or vehicle registrations increased to 799,731 units in 2023, surpassing the previous highest sales result of 721,177 units achieved in 2022. The industry's sales growth in 2023 marked the second annual gain since the downturn in 2020-2021 caused by the Covid-19 pandemic crisis. It was also the second consecutive year the TIV exceeded the 700,000 units mark. The TIV for 2024 is however expected to decline by 59,731 units or 7.5% to 740,000 units mainly attributable to factors such as uncertainty in the global economy outlook from conflicts and geopolitical tensions in the Middle Eastern and Eastern Europe countries, the expected slowdown in the global economy and local consumer spending due to concerns over the introduction of several new taxes. (*Source: Press Release by the Malaysian Automotive Association*).

The automotive sector is expected to continue to register growth albeit at a slower pace due to factors such as inflationary pressures, uncertainties in geopolitical conflicts and weaker global growth, which will have an adverse impact on the overall local economy. The launching of new and/or new facelift models by the Group's manufacturing customers and retail dealership brand principals are still very much dependent on the market sentiments and economic conditions then.

Premised on the foregoing, the Group is cautiously optimistic about its business performance with the existing and new orders in the manufacturing segment and the new product line-up 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);

Yes. The Board has declared an interim dividend of 0.4 Sen per ordinary share after considering the financial performance of the Group for the current financial period.

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

Nil

(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);

Tax exempt.

(d) The date the dividend is payable;

28 June 2024.

(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.

7 June 2024.

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

Not applicable.

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 and there was no discloseable IPT during the current reporting period.

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-24 RM	31-Mar-23 RM	
Revenue reported for first half year	217,655,807	204,133,767	6.6
Profit after tax before deducting non-controlling interests reported for first half year	3,313,304	2,740,643	20.9
Revenue reported for second half year	240,986,111	217,357,463	10.9
Profit after tax before deducting non-controlling interests reported for second half year	5,685,349	3,802,465	49.5

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-24 RM	31-Mar-23 RM
First interim dividend	478,093	1,434,280
Second interim dividend	478,093	-
Total	956,186	1,434,280

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	48	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	41	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.	<p>Head of Engineering and R&D, Manufacturing since 2018.</p> <p>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 with 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.</p>	There is no change during the year.

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

21. Changes in the composition of the Group

On 20 April 2023, the Company via its 80%-owned indirect subsidiary in Malaysia, MJN Motors Sdn. Bhd. ("MJNM") had completed an investment in MJN Automart Sdn. Bhd. ("MJNAM"), a direct subsidiary of MJNM by increasing the shareholding from 90% to 100% through the acquisition of 10% equity interest from Tan Kian Boon ("TKB"), with total investment value of RM150,000 in cash and funded by MJNM's internal resources. MJNAM operates a Proton 4S dealership in Malaysia and the net assets value of MJNAM was RM1.04 million at the time of acquisition. The value of the consideration was arrived at on a willing buyer and willing seller basis after arm's length negotiations between MJNM and TKB, taking into account the prevailing market conditions and the business prospects of MJNAM in which it operates the national brand of dealerships in Malaysia, ranking of second in the automotive sales table with an estimated market share of 19.6% in 2022.

Save as disclosed above, there is no other acquisition and/or sale of shares in any subsidiaries or associated companies of the Group during FY2024 which is required to be reported under Rule 706A of the Catalist Rules.

BY ORDER OF THE BOARD

Wong Cheong Chee
Executive Chairman and Chief Executive Officer

28 May 2024