

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(a) (i) A consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding year of the immediately preceding financial year.

Group statement of comprehensive income for FY2021 and FY2020.

	Group		
	RM'000		%
	FY2021 (Unaudited)	FY2020 (Audited)	Increase/ (Decrease)
Revenue	60,258	74,703	-19.3%
Cost of sales	(52,779)	(65,598)	-19.5%
Gross profit	7,479	9,105	-17.9%
Other income			
- Interest	25	33	-24.2%
- Others	1,589	1,600	-0.7%
Other gains and losses			
- Impairment (loss)/ gain on financial assets	(177)	918	-119.3%
- Others	58	3,268	-98.2%
Expenses			
- Selling and distribution	(3,583)	(5,381)	-33.4%
- Administrative	(13,490)	(15,952)	-15.4%
- Finance	(3,521)	(3,354)	5.0%
	(11,620)	(9,763)	19.0%
Share of profit of associated companies	2,012	754	166.8%
Loss before income tax	(9,608)	(9,009)	6.6%
Income tax expense	(390)	(138)	182.6%
Net loss	(9,998)	(9,147)	9.3%
(Loss)/profit attributable to:			
Equity holders of the Company	(10,143)	(9,221)	10.0%
Non-controlling interests	145	74	95.9%
	(9,998)	(9,147)	9.3%
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company	(10,143)	(9,221)	10.0%
Non-controlling interests	145	74	95.9%
	(9,998)	(9,147)	9.3%

NM: Not meaningful

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Note:

Loss before income tax is arrived at after charging/(crediting) the following:

	FY2021 RM'000	FY2020 RM'000
Bad debts written off	2	464
Commission	143	282
Depreciation of investment properties	60	59
Depreciation of property, plant and equipment	5,435	5,693
Directors' remuneration	1,203	1,478
Net foreign exchange loss	58	64
Gain on disposal of property, plant and equipment	(5)	(167)
Gain on lease modification	(111)	-
Distribution from associated company	-	(1,572)
Gain on dilution of shares on associated company	-	(1,593)
Property, plant and equipment written off	37	-
Inventories written off	1,825	5,968
Interest income	(25)	(33)
Interest expense	3,521	3,354
Rental expenses	151	227
Rental income	(1,065)	(1,376)
Staff costs	11,175	14,779

* Figure below RM1,000

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 31/3/21	As at 31/3/20	As at 31/3/21	As at 31/3/20
	RM'000 (Unaudited)	RM'000 (Audited)	RM'000 (Unaudited)	RM'000 (Audited)
ASSETS				
Current assets				
Cash and bank balances	11,712	13,266	150	304
Trade and other receivables	29,445	29,376	16,032	16,838
Inventories	10,999	14,571	-	-
Other current assets	4,217	5,175	-	-
Income tax recoverable	1,066	775	-	-
	57,439	63,163	16,182	17,142
Non-current assets				
Property, plant and equipment	54,504	55,673	-	-
Investment properties	3,622	3,682	-	-
Investments in subsidiary corporations	-	-	20,554	19,954
Investments in associated companies	7,822	5,810	5,056	5,056
	65,948	65,165	25,610	25,010
Total assets	123,387	128,328	41,792	42,152
LIABILITIES				
Current liabilities				
Trade and other payables	14,789	13,623	1,966	1,579
Borrowings	38,791	37,428	-	-
Lease liabilities	4,701	3,384	-	-
	58,281	54,435	1,966	1,579
Non-current liabilities				
Borrowings	29,787	24,776	-	-
Lease liabilities	6,794	10,683	-	-
Deferred income tax liabilities	96	7	-	-
	36,677	35,466	-	-
Total liabilities	94,958	89,901	1,966	1,579
NET ASSETS	28,429	38,427	39,826	40,573
EQUITY				
Capital and reserves distributable to equity holders of the Company				
Share capital	30,158	30,158	30,158	30,158
Currency translation reserve	(61)	(61)	-	-
(Accumulated losses)/Retained earnings	(2,490)	7,653	9,668	10,415
	27,607	37,750	39,826	40,573
Non-controlling interests	822	677	-	-
Total equity	28,429	38,427	39,826	40,573

* Figures below RM1,000

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	Group	
	RM'000	
	As at 31/3/21 (Unaudited)	As at 31/3/20 (Audited)
Bank overdrafts	11,569	11,513
Bank borrowings	3,178	1,683
Bills payables	24,044	24,232
Lease liabilities	4,701	3,384
	43,492	40,812

Amount repayable after one year

	Group	
	RM'000	
	As at 31/3/21 (Unaudited)	As at 31/3/20 (Audited)
Bank borrowings		
- due within two to five years	14,429	10,220
- due after five years	15,358	14,556
Lease liabilities		
- due within two to five years	6,728	10,473
- due after five years	66	210
	36,581	35,459

As at 31 March 2021, a subsidiary of the Company had outstanding bills payables and bank overdrafts amounting to a total of RM4.0 million owing to a bank. However, the subsidiary had, amongst others, not met the financial covenants to maintain a gearing ratio of not more than 2.4 times and a tangible net worth of not less than RM13 million as at 31 March 2021. Notwithstanding the aforementioned, the bank has notified the subsidiary that it is agreeable to continue extending the banking facilities until the next review of the bank facilities upon receipt of the subsidiary's audited financial statements for FY2021 and the latest management accounts of the subsidiary by October or November 2021. The Company will provide further updates on this matter if and when there are material developments in relation thereto.

Details of collaterals

All of the above bank borrowings are fully secured except the unsecured lease liabilities of approximately RM1.2 million. The bank overdrafts, bank borrowings, bills payables and lease liabilities, are secured on:

- (i) Legal mortgages over the Group's freehold and leasehold land and buildings. As at 31 March 2021, the Group's freehold and leasehold land and buildings with carrying amounts of approximately RM37.4 million were mortgaged for bank borrowings. As at 31 March 2021, the Group's investment properties with carrying amounts of approximately RM3.6 million were mortgaged for bank borrowings;
- (ii) Charged over short-term bank deposits; and
- (iii) Joint and personal guarantee of certain directors and controlling shareholders.

In the case of finance leases in respect of plant and machinery, motor vehicle and equipment, the terms of these leases typically provide for the repossession by the finance company of these plant and machinery, motor vehicle and equipment upon a default by the lessee.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

1(c) A consolidated statement of cash flows (for the group), together with a comparative statement for the corresponding year of the immediately preceding financial year.

Group statement of cash flows for FY2021 and FY2020.

	Group	
	RM'000	
	FY2021 (Unaudited)	FY2020 (Audited)
Cash flows from operating activities		
Net loss	(9,998)	(9,147)
Adjustments for:		
Income tax expense	390	138
Depreciation of property, plant and equipment	5,435	5,693
Depreciation of investment properties	60	59
Gain on disposal of property, plant and equipment	(5)	(167)
Gain on lease modification	(111)	-
Distribution from associated company	-	(1,572)
Gain on dilution of shares on associated company	-	(1,593)
Share of profit of associated companies	(2,012)	(754)
Property, plant and equipment written off	37	-
Interest income	(25)	(33)
Interest expense	3,521	3,354
Changes in working capital:	(2,708)	(4,022)
- Trade and other receivables	(69)	(1,614)
- Inventories	3,572	6,693
- Other current assets	958	1,704
- Trade and other payables	1,166	231
- Bills payables	(188)	2,617
Cash generated from operations	2,731	5,609
Interest paid	(1,474)	(1,844)
Interest received	25	33
Tax paid	(592)	(585)
Net cash generated from operating activities	690	3,213
Cash flow from investing activities		
Additions to property, plant and equipment	(1,911)	(9,947)
Proceeds from disposal of property, plant and equipment	5	167
Net cash used in investing activities	(1,906)	(9,780)

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Group	
	RM'000	
	FY2021 (Unaudited)	FY2020 (Audited)
Cash flow from financing activities		
Increase in short-term bank deposits pledged	(25)	(33)
Proceeds from bank borrowings	7,529	15,882
Proceeds from right issue of shares	-	3,296
Repayment of bank borrowings	(1,023)	(1,568)
Repayment of lease liabilities	(4,853)	(4,745)
Interest paid	(2,047)	(1,510)
Net cash (used in)/ generated from financing activities	(419)	11,322
Net (decrease)/ increase in cash and cash equivalents	(1,635)	4,755
Cash and cash equivalents		
Beginning of financial year	691	(4,064)
End of financial year	(944)	691

Note:

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

	Group	
	RM'000	
	FY2021 (Unaudited)	FY2020 (Audited)
Cash and bank balances	11,712	13,266
Less:		
Short-term bank deposits pledged	(1,087)	(1,062)
Bank overdrafts	(11,569)	(11,513)
Cash and cash equivalents at end of financial year per Statement of Cash Flows	(944)	691

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding year of the immediately preceding financial year.

Group	Share capital RM'000	Currency translation reserve RM'000	Retained earnings/ (Accumulated losses) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 April 2020	30,158	(61)	7,653	37,750	677	38,427
(Loss)/profit for the financial year, representing total comprehensive (loss)/ income for the financial year	-	-	(10,143)	(10,143)	145	(9,998)
Balance as at 31 March 2021	30,158	(61)	(2,490)	27,607	822	28,429
Balance as at 31 March 2019	26,862	(61)	16,935	43,736	603	44,339
Adoption of SFRS(I) 16	-	-	(61)	(61)	-	(61)
Balance as at 1 April 2019	26,862	(61)	16,874	43,675	603	44,278
(Loss)/profit for the financial year, representing total comprehensive (loss)/ income for the financial year	-	-	(9,221)	(9,221)	74	(9,147)
Issuance of right issue shares	3,296	-	-	3,296	-	3,296
Balance as at 31 March 2020	30,158	(61)	7,653	37,750	677	38,427
Company	Share capital RM'000	Currency translation reserve RM'000	Retained earnings/ (Accumulated losses) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 April 2020	30,158	-	10,415	40,573	-	40,573
Total comprehensive loss for the financial year	-	-	(747)	(747)	-	(747)
Balance as at 31 March 2021	30,158	-	9,668	39,826	-	39,826
Balance as at 1 April 2019	26,862	-	6,972	33,834	-	33,834
Total comprehensive income for the financial year	-	-	3,443	3,443	-	3,443
Issuance of right issue shares	3,296	-	-	3,296	-	3,296
Balance as at 31 March 2020	30,158	-	10,415	40,573	-	40,573

Save for the foregoing, there are no other (i) changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders.

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021**

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.

There were no changes in the Company's share capital since 30 September 2020 to 31 March 2021.

The Company did not have any outstanding convertibles, subsidiary holdings or treasury shares as at 31 March 2021 and 31 March 2020.

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

	As at 31 March 2021	As at 31 March 2020
Total number of issued shares (excluding treasury shares)	105,391,186	105,391,186

The Company has no treasury shares, subsidiary holdings or convertibles outstanding as at 31 March 2021 and 31 March 2020.

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

Not applicable. There were no treasury shares during and as at the end of the current financial year reported on.

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

Not applicable. There were no subsidiary holdings during and as at the end of the current financial year reported on.

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

The figures have not been audited nor reviewed by the Company's auditors.

3. Whether 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.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in Note 5 below, the Group had consistently applied the same accounting policies and methods of computation in the Group's financial statements for the current financial year as those applied for the most recently audited financial statements for the financial year ended 31 March 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all new or revised provisions of the Singapore Financial Reporting Standards (International) ("SFRS(I)") that are effective for this current financial year beginning 1 April 2020 ("FY2021") as set out below. The adoption of these new or revised SFRS(I)s did not have any significant effect on the financial statements of the Group.

- Amendment to SFRS(I) 16: Covid-19-Related Rent Concessions beyond 30 June 2021
- Amendments to SFRS(I) 3: Reference to the Conceptual Framework
- Amendments to SFRS(I) 1-16: Property, Plant and Equipment—Proceeds before Intended Use
- Amendments to SFRS(I) 1-37: Onerous Contracts—Cost of Fulfilling a Contract
- Annual Improvements to SFRS(I)s 2018-2020
- SFRS (I) 17 Insurance Contracts
- Amendments to SFRS(I) 17
- Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current
- Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

6. Earnings per ordinary share of the group for the current financial year reported on and the corresponding year of the immediately preceding financial period, after deducting any provision for preference dividends.

	Group	
	FY2021	FY2020
Loss attributable to equity holders of the Company, after deducting any provision for preference dividends (RM'000)	(10,143)	(9,221)
Weighted average number of shares used in computation of basic earnings per share	105,391,186	97,695,593
Basic loss per share attributable to equity holders of the Company (Malaysian sen)	(9.62)	(9.44)
Diluted loss per share attributable to equity holders of the Company (Malaysian sen)	(9.62)	(9.44)

Basic loss per share is computed by dividing the loss attributable to the equity holders of the Company in the respective financial year by the weighted average number of ordinary shares outstanding at the end of the respective financial year.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Diluted loss per share is the same as the basic loss per share as the Company does not have any outstanding instruments convertible into, rights to subscribe for and options in respect of its ordinary shares during the respective financial years.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued share capital of the issuer at the end of the:**
(a) **current financial year reported on; and**
(b) **immediately preceding financial year.**

	Group		Company	
	As at		As at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
NAV per ordinary share (Malaysian sen)	26.97	36.46	37.79	38.50
Number of shares used in computation of NAV per share	105,391,186	105,391,186	105,391,186	105,391,186

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.**

Commentary on Financial Results

Revenue

	FY2021 RM'000	FY2020 RM'000
Continuing operations		
Original Equipment Manufacturer ("OEM") contract	26,146	26,977
Kitchen appliances, equipment and related services	22,884	35,531
Cleanroom and laboratories	11,228	12,195
Total	60,258	74,703

Revenue decreased by approximately RM14.4 million or 19.3% from approximately RM74.7 million in FY2020 to RM60.3 million in FY2021. This was mainly due to the decrease in Original Equipment Manufacturer ("OEM") contract, kitchen appliances, equipment and related services and cleanroom and laboratories segment by RM0.8 million, RM12.6 million and RM1.0 million respectively. The decrease in all segments were mainly because of project postponements by customers due to the several rounds of MCO implemented by the Government of Malaysia from 18 March 2020 up to 31 March 2021, which heavily affected the kitchen appliances, equipment and related services segment.

Cost of sales and gross profit

Cost of sales decreased by approximately RM12.8 million or 19.5% from approximately RM65.6 million in FY2020 to approximately RM52.8 million in FY2021 which is in line with the decrease in sales.

The gross profit margin remained consistent with 12.2% in FY2020 and 12.4% in FY2021.

Other gains and losses

Other gains and losses decreased by approximately RM4.3 million in FY2021 from a gain of approximately RM4.2 million in FY2020 to losses of approximately RM0.1 million in FY2021. The decrease is mainly due to the higher doubtful debts recovered in FY2020 of approximately RM1.1 million and the absence of a gain on dilution of shares and distribution from associated company of approximately RM3.2 million resulting from the completion of the associated company's listing exercise on the LEAP Market of Bursa Malaysia Securities Berhad ("Listing Exercise"), as announced on SGXNET on 9 March 2020 in FY2020.

Administrative expenses

Administrative expenses decreased by approximately RM2.5 million or 15.4% from approximately RM16.0 million in FY2020 to approximately RM13.5 million in FY2021. This was mainly due to the reduction in staff costs as a result of salary cuts, fewer staff employed and wages subsidies received from the Government of Malaysia and depreciation of property, plant and equipment of approximately RM2.2 million and RM0.3 million respectively.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately RM1.8 million or 33.4% from approximately RM5.4 million in FY2020 to approximately RM3.6 million in FY2021. This was mainly due to the reduction in staff cost, commission paid, bad debts written off and travelling expenses of approximately RM0.5 million, RM0.2 million, RM0.5 million and RM0.5 million respectively which is in line with the decrease in sales.

Finance expenses

Finance expenses increased by approximately RM0.2 million or 5.0% from approximately RM3.3 million in FY2020 to approximately RM3.5 million in FY2021. The increase in term loan interest of approximately RM0.6 million was partially set off by a decrease in bank overdraft interest and bills payable interest of approximately RM0.1 million and RM0.3 million respectively.

Share of profit of associated companies

The Group's share of profit from its associated companies increased by approximately RM1.2 million from approximately RM0.8 million in FY2020 compared to RM2.0 million in FY2021. The increase was mainly due to the improved financial performance of the associated company, Cosmos Technology International Berhad in FY2021.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Commentary on Financial Position

Trade and other receivables

	Group RM'000	
	31 March 2021 (Unaudited)	31 March 2020 (Audited)
Trade receivables	20,598	21,877
Contract assets	1,918	-
Other receivables	6,929	7,499
Total trade and other receivables	29,445	29,376

Trade receivables decreased by approximately RM1.3 million from RM21.9 million as at 31 March 2020 to approximately RM20.6 million as at 31 March 2021 in line with the decrease in revenue.

Contract assets arising from the SFRS(I) 15 Revenue from contracts with customers in FY2021 is derived from cleanroom and laboratories segment and OEM contract segment of approximately RM1.7 million and RM0.2 million respectively.

Other receivables decreased by approximately RM0.6 million from RM7.5 million as at 31 March 2020 to RM6.9 million as at 31 March 2021 mainly due to repayment of advances from associated company.

Inventories

Inventories decreased by approximately RM3.6 million from RM14.6 million as at 31 March 2020 to approximately RM11.0 million as at 31 March 2021 mainly due to stock written off of approximately RM1.8 million and lesser stock levels due to the decrease in revenue and stock reserves.

Other current assets

Other current assets decreased by approximately RM1.0 million from approximately RM5.2 million as at 31 March 2020 to RM4.2 million as at 31 March 2021. This was mainly due to the significant reduction in the kitchen appliances, equipment and related services segment's prepayment paid to supplier to purchase goods, which is in line with the decrease in revenue for this segment.

Income tax recoverable

Income tax recoverable increased by approximately RM0.3 million from RM0.8 million as at 31 March 2020 to approximately RM1.1 million as at 31 March 2021. This was mainly due to tax overpaid which has yet to be refunded from the local tax authorities.

Property, plant and equipment

Property, plant and equipment decreased by approximately RM1.2 million from approximately RM55.7 million as at 31 March 2020 to RM54.5 million as at 31 March 2021. This was mainly due to the modification/write off on right-of-use assets and depreciation of approximately RM0.6 million and RM5.4 million respectively offset by additional construction cost for a factory on the Group's existing land acquired in prior year and purchase of plant and machineries and other assets amounting to approximately RM1.8 million and RM3.0 million respectively.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Investments in associated companies

The investment in associated companies increased by approximately RM2.0 million from approximately RM5.8 million as at 31 March 2020 to RM7.8 million as at 31 March 2021 due to the share of profit for FY2021 of approximately RM2.0 million.

Trade and other payables

	Group RM'000	
	31 March 2021 (Unaudited)	31 March 2020 (Audited)
Trade payables	9,558	7,979
Other payables	5,231	5,644
Total trade and other payables	14,789	13,623

Trade payables increased by approximately RM1.6 million from RM8.0 million as at 31 March 2020 to approximately RM9.6 million as at 31 March 2021 mainly due to slower payment to the suppliers.

Other payables decreased by approximately RM0.4 million from RM5.6 million as at 31 March 2020 to RM5.2 million as at 31 March 2021 mainly due to lower accrual of purchases.

Borrowings

	Group RM'000	
	31 March 2021 (Unaudited)	31 March 2020 (Audited)
Bills payable	24,044	24,232
Bank overdrafts	11,569	11,513
Bank borrowings	32,965	26,459
Total borrowings	68,578	62,204

Borrowings increased by approximately RM6.4 million mainly due to the increase in bank borrowings and bank overdraft of approximately RM6.5 million and RM0.1 million respectively netted off by a decrease in bills payable of approximately RM0.2 million.

Bank borrowings increased due to the drawdown of term loan for additional construction cost for a factory on the Group's existing land acquired in prior year, conversion of bills payable to term loan, accrued interest arising from Bank Negara Malaysia ("BNM") moratorium program and drawdown of term loan under Short Term Economic Recovery Plan ("PENJANA") scheme for working capital purpose amounting to approximately RM1.8 million, RM3.1 million, RM0.3 million and RM2.3 million respectively set off by the repayment of approximately RM1.0 million.

The decrease in bills payable is mainly due to the conversion of matured bills payables of RM3.1 million to term loan for a longer repayment period offset by the deferment of the repayment of bills payable which were due from January to March 2021, to June 2021.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Lease liabilities

	Group RM'000	
	31 March 2021 (Unaudited)	31 March 2020 (Audited)
Lease liabilities (secured)	10,309	11,373
Lease liabilities (unsecured)	1,186	2,694
Total	11,495	14,067

Lease liabilities decreased by RM2.6 million due to the repayment of RM5.6 million setoff against additional lease liabilities of approximately RM2.4 million and RM0.6 million for acquisition of new machineries and equipment and new lease liabilities recognised under SFRS (I)16 respectively.

The Group had net current liabilities of RM0.8 million as at 31 March 2021. The Group will have sufficient financial resources to meet its obligations as and when they fall due as the outstanding bills payable and bank overdraft facilities amounting to a total of RM35.6 million as at 31 March 2021 can be rolled forward to subsequent 12 months. These borrowings are secured over, amongst others, legal mortgages over the Group's freehold and leasehold land and buildings and investment properties with aggregate carrying amounts of RM41.0 million as at 31 March 2021. As such, the Group will have sufficient funds to fulfill its working capital requirements for the next 12 months.

Commentary on Cash Flow

The Group generated a net cash from operating activities of approximately RM0.7 million for FY2021. This was derived from operating loss before working capital changes of approximately RM2.7 million, adjusted net working capital inflow of approximately RM5.4 million, net interest paid of approximately RM1.4 million and net income tax paid of approximately RM0.6 million.

Net cash used in investing activities amounted to approximately RM1.9 million mainly due to net purchase of property, plant and equipment.

Net cash used in financing activities amounted to approximately RM0.4 million mainly due to the net drawdown of term loan after net off against the net repayment of lease liabilities and bank borrowings and interest paid.

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

Not applicable. No forecast or prospect statement has been previously disclosed to the 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 Group had to cease all business operations from 18 March 2020 with the MCO issued by the Government of Malaysia but resumed operations in early May 2020. However, there have been several rounds of restrictions under the Recovery MCO, Conditional MCO and MCO up to 31 March 2021 implemented by the Government of Malaysia due to the unpredictable rising COVID-19 cases. The Group faced a challenging FY2021 arising from the Covid-19 pandemic and uncertainties to the economic outlook and these challenges are expected to remain for the next 12 months.

To maintain its competitive advantage, the Group will continue to explore opportunities to expand its business in all segments both locally and abroad, via the development of new products, strategic investments, acquisitions and joint ventures with potential business partners.

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The Group is also facing challenges with the increase in materials costs and shortage of supply of materials mainly due to the ongoing Covid-19 pandemic and competitive market conditions worldwide. However, the Group continues its efforts in controlling costs and reducing overheads to streamline operations in order to improve overall efficiency as well as managing the recoverability of receivables. The Group will also tighten its cash outflow and conserve cash for its operational needs.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

No

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend has been declared / recommended for the financial year ended 31 March 2021 in order to preserve capital for business growth.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), 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 Group does not have a general mandate from shareholders for interested person transactions and none of the interested person transactions (individually) were of a value of S\$100,000 and above.

14. Disclosure of acquisition (including incorporations) and sale of shares under Catalist Rule 706A.

The Company did not acquire or dispose of any shares resulting in any of the prescribed situations under Catalist Rule 706(A) in FY2021.

15. Use of Proceeds

The net proceeds raised by the Company from the issuance of 15,391,186 new ordinary shares in the Company arising from the renounceable non-underwritten rights issue, which was allotted and issued on 23 October 2019, was approximately S\$1.0 million (after deducting expenses of approximately S\$0.1 million) ("Net Proceeds"). As at 27 May 2021, the Company had utilised approximately S\$0.5 million as follows:-

Intended use of Net Proceeds	Amount allocated S\$	Amount utilised S\$	Balance available S\$
i) Funding Operating Costs	684,168	460,500*	223,668
ii) Expansion of Existing Business And Making New Strategic Investments and/ or Acquisitions	293,215	86,000	207,215
	977,383	546,500	430,883

Note:

*The amount utilised under "Funding Operating Costs" was for the purpose of payment to suppliers.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors comprises three independent directors and three non-independent directors. The Board of Directors considers the business from both geographic and business segment perspective. Geographically, management manages and monitors the business in the four primary geographic areas: Malaysia, Singapore, Vietnam and Indonesia. All geographic locations are engaged in the OEM contract manufacturing, cleanroom and laboratories and kitchen appliances, equipment and related services.

The information for the reportable segments is as follows:

For the financial year ended 31 March 2021

	OEM contract manufacturing RM'000	Cleanroom & laboratories RM'000	Kitchen appliances, equipment and related services RM'000	Total RM'000
Revenue				
- Sales to external parties	26,146	11,228	22,884	60,258
Adjusted EBITDA	926	1,195	(2,738)	(617)
Depreciation of property, plant and equipment	3,456	103	1,876	5,435
Finance expense	2,533	133	855	3,521

For the financial year ended 31 March 2020

	OEM contract manufacturing RM'000	Cleanroom & laboratories RM'000	Kitchen appliances, equipment and related services RM'000	Total RM'000
Revenue				
- Sales to external parties	26,977	12,195	35,531	74,703
Adjusted EBITDA	(1,714)	1,445	333	64
Depreciation of property, plant and equipment	3,588	109	1,996	5,693
Finance expense	2,112	115	1,127	3,354

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

There are no inter-business segment sales. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the consolidated statement of comprehensive income.

The Board of Directors assesses the performance of the operating segments based on measure of Earnings before interest, tax, depreciation and amortisation (“adjusted EBITDA”). Interest income and finance expenses are not allocated to segments, as this type of activity is driven by the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), which manages the cash position of the Group.

A reconciliation of adjusted EBITDA to profit before tax is provided as follows:

	Group	
	FY2021	FY2020
	RM’000	RM’000
Adjusted EBITDA for reportable segments	(617)	64
Depreciation of property, plant and equipment	(5,435)	(5,693)
Depreciation of investment properties	(60)	(59)
Finance expense	(3,521)	(3,354)
Interest income	25	33
Loss before income tax	(9,608)	(9,009)

BREAKDOWN OF GROUP REVENUE BY PRODUCT SEGMENTS

Revenue

Revenue from external customers are derived mainly from the sale of OEM contract manufacturing, cleanroom and laboratories and kitchen appliances, equipment and related services. Breakdown of revenue is as follows:

	FY2021		FY2020	
	RM’000	%	RM’000	%
OEM contract manufacturing	26,146	43.4	26,977	36.1
Kitchen appliances, equipment and related services	22,884	38.0	35,531	47.6
Cleanroom and laboratories	11,228	18.6	12,195	16.3
Total	60,258	100.0	74,703	100.0

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

BREAKDOWN OF GROUP REVENUE BY GEOGRAPHICAL REGIONS

	FY2021		FY2020	
	RM'000	%	RM'000	%
Malaysia	51,303	85.1	64,758	86.7
Vietnam	1,571	2.6	2,325	3.1
Indonesia	1,903	3.2	1,642	2.2
Singapore	4,960	8.2	3,533	4.7
Others	521	0.9	2,445	3.3
Total	60,258	100.0	74,703	100.0

The Group's three business segments are headquartered and operated mainly in Malaysia. The operations in this area are principally in the manufacturing and sales of OEM contract manufacturing products, cleanroom and laboratories and kitchen appliances, equipment and related services.

In Singapore and Vietnam, the major operations is OEM contract manufacturing and kitchen appliances, equipment and related services. In Indonesia, the major operations is kitchen appliances, equipment and related services and minor operation in OEM contract manufacturing.

In other countries, the operations include the sale of OEM contract manufacturing products in United States of America, New Zealand and China whereas the sale of kitchen appliances and equipment in Thailand, Australia and China and the sale of cleanroom and laboratories in Philippines.

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

The Group operates predominantly in Malaysia and material changes in contributions to turnover and earnings have been explained in Paragraph 8 above.

18. A breakdown of sales.

	FY2021	FY2020	Change
	RM'000	RM'000	%
(a) Sales reported from 1 April to 30 September	26,260	34,379	-23.6
(b) Net (loss)/profit after tax before deducting non-controlling interests from 1 April to 30 September	(3,465)	1,737	NM
(c) Sales reported for the period from 1 October to 31 March	33,998	40,324	-15.7
(d) Net loss after tax before deducting non-controlling interests for the period from 1 October to 31 March	(6,533)	(10,884)	-40.0
Total sales for the year	60,258	74,703	-19.3
Total net loss for the year	(9,998)	(9,147)	9.3

NM: Not meaningful

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

- 19. A breakdown of the total annual dividend (in Malaysia Ringgit value) for the issuer's latest full year and its previous full year.**

	FY2021 (RM'000)	FY2020 (RM'000)
Ordinary	-	-

- 20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or chief executive officer or substantial shareholder of the issuer**

Pursuant to Rule 704(10) of the Listing Manual of Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, MSM International Limited wishes to provide the following information on persons occupying managerial positions in the Company or any of its principal subsidiaries who are related to a Director, Chief Executive Officer or Substantial Shareholder of the Company:

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Name	Age	Family Relationship with any Director, Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Chan Kee Sieng	69	Brother of Chan Kit Moi (Director and controlling shareholder) Father of Chan Wen Chau (Chief Executive Officer)	Executive Chairman (since 30 October 2009) Duties: Charting the business direction, corporate planning and strategic developments of the Group.	N.A.
Chan Kit Moi	68	Brother of Chan Kee Sieng, (Executive Chairman and controlling shareholder) Uncle of Chan Wen Chau (Chief Executive Officer)	Executive Director (since 30 October 2009) Duties: Responsible for corporate planning and strategic development of the Group.	N.A.
Chan Wen Chau	46	Son of Chan Kee Sieng (Executive Chairman and Controlling Shareholder) Nephew of Chan Kit Moi (Director and controlling shareholder)	Executive Director and Chief Executive Officer (since 8 October 2009) Duties: In charge of overall business and strategic development, corporate planning, operations and management of the Group.	N.A.
Chan Wen Yee	37	Son of Chan Kit Moi (Director and substantial shareholder) Nephew of Chan Kee Sieng (Executive Chairman and controlling shareholder) Cousin of Chan Wen Chau (Chief Executive Officer)	General Manager (since 1st May 2010) Duties: Responsible for sales, marketing and business development for Toyomi Engineering Sdn Bhd.	N.A.

21. Confirmation pursuant to Rule 720(1) of the Catalist Listing Manual

The Company has procured undertakings from all its directors and executive officers under Rule 720(1).

BY ORDER OF THE BOARD

Chan Kee Sieng
Executive Chairman
28 May 2021

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms Jennifer Tan, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg).