

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 FY2020 and FY2019.

	Group		
	RM'000		%
	FY2020 (Unaudited)	FY2019 (Audited)	Increase/ (Decrease)
Continuing operations			
Revenue	74,703	82,233	-9.2%
Cost of sales	(65,598)	(60,560)	8.3%
Gross profit	9,105	21,673	-58.0%
Other income			
- Interest	33	33	0.0%
- Others	1,600	1,271	25.9%
Other gains and losses			
- Gain / impairment (loss) on financial assets	918	(179)	NM
- Others	3,268	489	NM
Expenses			
- Selling and distribution	(5,381)	(5,349)	0.6%
- Administrative	(15,952)	(14,502)	10.0%
- Finance	(3,354)	(2,887)	16.2%
	(9,763)	549	NM
Share of profit of associated companies	754	150	NM
(Loss)/Profit before income tax	(9,009)	699	NM
Income tax expense	(138)	(579)	-76.2%
Net (loss)/profit from continuing operations	(9,147)	120	NM
Discontinued operations			
Profit from discontinued operations	-	2,773	-100.0%
Total (loss)/profit	(9,147)	2,893	NM

NM: Not meaningful

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Group		
	RM'000		%
	FY2020 (Unaudited)	FY2019 (Audited)	Increase/ (Decrease)
(Loss)/profit attributable to:			
Equity holders of the Company	(9,221)	2,802	NM
Non-controlling interests	74	91	-18.7%
	(9,147)	2,893	NM
(Loss)/profit attributable to equity holders of the Company relates to:			
(Loss)/profit from continuing operations	(9,221)	29	NM
Profit from discontinued operations	-	2,773	-100.0%
	(9,221)	2,802	NM
Total comprehensive income attributable to:			
Equity holders of the Company	(9,221)	2,802	NM
Non-controlling interests	74	91	-18.7%
	(9,147)	2,893	NM

Note:

During FY2019, the Company completed the disposal of its 60% equity interest in the Marc Conleth Industries Sdn. Bhd. ("MCI"). Following the disposal, MCI ceased to be a subsidiary corporation and instead became an associated company of the Company.

The Group has accounted the financial results of MCI as discontinued operations whereby the results of operations of MCI have been excluded from the results of continuing operations and reported as discontinued operations.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Note:

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

	FY2020 RM'000			FY2019 RM'000		
	Continuing operations	Discontinued Operations	Total	Continuing operations	Discontinued Operations	Total
Bad debts written off	464	-	464	*	-	*
Commission	282	-	282	148	-	148
Depreciation of investment properties	59	-	59	59	-	59
Depreciation of property, plant and equipment	5,693	-	5,693	3,390	654	4,044
Directors' remuneration	1,478	-	1,478	1,370	-	1,370
Net foreign exchange loss/ (gain)	64	-	64	(15)	(806)	(821)
Gain on disposal of property, plant and equipment	(167)	-	(167)	(485)	-	(485)
Loss on disposal of a subsidiary corporation	-	-	-	11	-	11
Distribution from associated company	(1,572)	-	(1,572)	-	-	-
Gain on dilution of shares on associated company	(1,593)	-	(1,593)	-	-	-
Inventories written off	5,968	-	5,968	-	-	-
Interest income	(33)	-	(33)	(33)	(9)	(42)
Interest expense	3,354	-	3,354	2,887	606	3,493
Rental expenses	227	-	227	1,314	314	1,628
Rental income	(1,376)	-	(1,376)	(796)	(117)	(913)
Staff costs	14,779	-	14,779	16,005	2,620	18,625

* Figure below RM1,000

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 31/3/20	As at 31/3/19	As at 31/3/20	As at 31/3/19
	RM'000 (Unaudited)	RM'000 (Audited)	RM'000 (Unaudited)	RM'000 (Audited)
ASSETS				
Current assets				
Cash and bank balances	13,266	7,834	304	*
Trade and other receivables	29,376	27,762	16,838	15,488
Inventories	14,571	21,264	-	-
Other current assets	5,175	6,879	-	-
Income tax recoverable	775	328	-	-
	63,163	64,067	17,142	15,488
Non-current assets				
Property, plant and equipment	55,673	39,924	-	-
Investment properties	3,682	3,741	-	-
Investments in subsidiary corporations	-	-	19,954	19,454
Investments in associated companies	5,810	1,891	5,056	400
	65,165	45,556	25,010	19,854
Total assets	128,328	109,623	42,152	35,342
LIABILITIES				
Current liabilities				
Trade and other payables	13,623	13,392	1,579	1,508
Borrowings	39,287	36,150	-	-
Lease liabilities	1,525	-	-	-
	54,435	49,542	1,579	1,508
Non-current liabilities				
Borrowings	34,290	15,735	-	-
Lease liabilities	1,169	-	-	-
Deferred income tax liabilities	7	7	-	-
	35,466	15,742	-	-
Total liabilities	89,901	65,284	1,579	1,508
NET ASSETS	38,427	44,339	40,573	33,834
EQUITY				
Capital and reserves distributable to equity holders of the Company				
Share capital	30,158	26,862	30,158	26,862
Currency translation reserve	(61)	(61)	-	-
Retained earnings	7,653	16,935	10,415	6,972
	37,750	43,736	40,573	33,834
Non-controlling interests	677	603	-	-
Total equity	38,427	44,339	40,573	33,834

* Figures below RM1,000

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 31/3/20 (Unaudited)	As at 31/3/19 (Audited)
Bank overdrafts	11,513	10,869
Bank borrowings	1,683	1,189
Bills payables	24,232	21,615
Finance lease liabilities	1,859	2,477
	39,287	36,150

Amount repayable after one year

	Group	
	RM'000	
	As at 31/3/20 (Unaudited)	As at 31/3/19 (Audited)
Bank borrowings		
- due within two to five years	10,220	4,450
- due after five years	14,556	6,506
Finance lease liabilities		
- due within two to five years	9,304	4,749
- due after five years	210	30
	34,290	15,735

Details of collaterals

All of the above bank borrowings are fully secured. The bank overdrafts, bank borrowings, bills payables and finance lease liabilities are secured on:

- (i) Legal mortgages over the Group's freehold and leasehold land and buildings. As at 31 March 2020, the Group's freehold and leasehold land and buildings with carrying amounts of approximately RM36.04 million were mortgaged for bank borrowings. As at 31 March 2020, the Group's investment properties with carrying amounts of approximately RM3.7 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 vehicles and computer equipment, the terms of these leases typically provide for the repossession by the finance company of these plant, 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 2020

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 FY2020 and FY2019.

	Group	
	RM'000	
	FY2020 (Unaudited)	FY2019 (Audited)
Cash flows from operating activities		
Total (loss)/profit	(9,147)	2,893
Adjustments for:		
Income tax expense	138	1,035
Depreciation of property, plant and equipment	5,693	3,922
Depreciation of investment properties	59	59
Gain on disposal of property, plant and equipment	(167)	(485)
Loss on disposal of subsidiary corporation	-	11
Distribution from associated company	(1,572)	-
Gain on dilution of shares on associated company	(1,593)	-
Share of profit of associated companies	(754)	(150)
Inventories written off	5,968	-
Interest income	(33)	(42)
Interest expense	3,354	3,493
Changes in working capital:	1,946	10,736
- Trade and other receivables	(1,614)	(9,884)
- Inventories	725	(2,408)
- Other current assets	1,704	(2,076)
- Trade and other payables	231	9,132
- Bills payables	2,617	1,735
Cash generated from operations	5,609	7,235
Interest paid	(1,845)	(2,355)
Interest received	33	33
Tax paid	(585)	(747)
Net cash generated from operating activities	3,212	4,166
Cash flow from investing activities		
Additions to property, plant and equipment	(9,947)	(2,210)
Additions to investment properties	-	(15)
Proceeds from disposal of property, plant and equipment	167	509
Disposal of a subsidiary corporation, net of cash disposed of	-	2,004
Net cash (used in)/ generated from investing activities	(9,780)	288

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Group	
	RM'000	
	FY2020 (Unaudited)	FY2019 (Audited)
Cash flow from financing activities		
Increase in short-term bank deposits pledged	(33)	(33)
Proceeds from bank borrowings	15,882	25
Proceeds from right issue of shares	3,296	-
Repayment of bank borrowings	(1,568)	(1,807)
Repayment of finance lease liabilities	(3,322)	(3,204)
Repayment of lease liabilities	(1,423)	-
Interest paid	(1,509)	(1,138)
Net cash generated from/ (used in) financing activities	11,323	(6,157)
Net increase/ (decrease) in cash and cash equivalents	4,755	(1,703)
Cash and cash equivalents		
Beginning of financial year	(4,064)	(2,361)
End of financial year	691	(4,064)

Note:

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

	Group	
	RM'000	
	FY2020 (Unaudited)	FY2019 (Audited)
Cash and bank balances	13,266	7,834
Less:		
Short-term bank deposits pledged	(1,062)	(1,029)
Bank overdrafts	(11,513)	(10,869)
Cash and cash equivalents at end of financial year per Statement of Cash Flows	691	(4,064)

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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
Balance as at 31 March 2018	26,862	(61)	17,261	44,062	512	44,574
Adoption of SFRS(I) 9	-	-	(3,128)	(3,128)	-	(3,128)
Balance as at 1 April 2018	26,862	(61)	14,133	40,934	512	41,446
Profit for the financial year, representing total comprehensive income for the financial year	-	-	2,802	2,802	91	2,893
Balance as at 31 March 2019	26,862	(61)	16,935	43,736	603	44,339
Company	Share capital	Currency translation reserve	Retained earnings/ (Accumulated losses)	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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
Balance as at 1 April 2018	26,862	-	5,602	32,464	-	32,464
Total comprehensive income for the financial year	-	-	1,370	1,370	-	1,370
Balance as at 31 March 2019	26,862	-	6,972	33,834	-	33,834

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 2020**

- 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.**

On 23 October 2019, MSM International Limited had issued and allotted 15,391,186 new shares ("Rights Shares") in the capital of the Company arising from the renounceable non-underwritten rights issue of up to 22,500,000 Rights Shares in the capital of the Company at an issue price of S\$0.07 for each Rights Share (the "Issue Price"), on the basis of 1 Rights Share for every 4 existing ordinary shares in the capital of the Company (the "Shares") held by Entitled Shareholders. Following the Rights Issue, the issued and paid-up share capital of the Company has increased from 90,000,000 shares to 105,391,186 shares.

The Company did not have any outstanding convertibles, subsidiary holdings or treasury shares as at 31 March 2020 and 31 March 2019.

- 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 2020	As at 31 March 2019
Total number of issued shares (excluding treasury shares)	105,391,186	90,000,000

The Company has no treasury shares, subsidiary holdings or convertibles outstanding as at 31 March 2020 and 31 March 2019.

- 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.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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.
- (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 2019.

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.

During the current financial year, the Group and the Company have adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect for accounting periods beginning on or after 1 January 2019:

- SFRS(I) 16 Leases
- SFRS(I) INT 23 Uncertainty over Income Tax Treatments
- Amendments to SFRS(I) 3 and SFRS(I) 11 Previously Held Interest in a Joint Operation
- Amendments to SFRS(I) 9 Prepayment Features with Negative Compensation
- Amendments to SFRS(I) 1-12 Income Tax Consequences of Payments on Financial Instruments Classified as Equity
- Amendments to SFRS(I) 1-19 Plan Amendment, Curtailment or Settlement
- Amendments to SFRS(I) 1-23 Borrowing Costs Eligible for Capitalisation
- Amendments to SFRS(I) 1-28 Long-Term Interests in Associates and Joint Ventures

The adoption of the above new SFRS(I)s, amendments and interpretations of SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the financial year ended 31 March 2020, except for SFRS(I)16 Leases as below.

The Group has applied SFRS(I)16 Leases on 1 April 2019 using the modified retrospective approach. Upon adoption of SFRS(I) 16 Leases, the Group recognised right-of-use assets of RM4.870 million and lease liabilities of RM4.117 million, with a corresponding decrease in the opening retained earnings of RM0.061 million as at 1 April 2019 .

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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	
	FY2020	FY2019
(Loss)/earnings attributable to equity holders of the Company, after deducting any provision for preference dividends (RM'000)	(9,221)	2,802
Weighted average number of shares used in computation of basic earnings per share	97,695,593	90,000,000
Basic (loss)/earnings per share attributable to equity holders of the Company (Malaysian sen)	(9.44)	3.11
Diluted (loss)/earnings per share attributable to equity holders of the Company (Malaysian sen)	(9.44)	3.11

Basic (loss)/earnings per share is computed by dividing the (loss)/earnings 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.

Diluted earnings per share is the same as the basic earnings 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 2020	31 March 2019	31 March 2020	31 March 2019
NAV per ordinary share (Malaysian sen)	36.46	49.27	38.50	37.59
Number of shares used in computation of NAV per share	105,391,186	90,000,000	105,391,186	90,000,000

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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.

The discontinued operation is in relation to the completion of the disposal of 60% of its wholly-owned subsidiary, Marc Conleth Industries Sdn Bhd on 9 January 2019.

Commentary on Financial Results

Revenue

	FY2020 RM'000	FY2019 RM'000
Continuing operations		
Original Equipment Manufacturer ("OEM") contract	26,977	33,887
Kitchen appliances, equipment and related services	35,531	36,572
Cleanroom and laboratories	12,195	11,774
Total	74,703	82,233

Revenue decreased by approximately RM7.5 million or 9.2% from approximately RM82.2 million in FY2019 to RM74.7 million in FY2020. This was mainly due to decrease in Original Equipment Manufacturer ("OEM") contract and kitchen appliances, equipment and related services segment by RM6.9 million and RM1.0 million respectively netted off against increase in cleanroom and laboratories segment by RM0.4 million. The decrease in OEM contract was because of the lower demand and project postponement by customer, as well as the movement control order implemented by the Government of Malaysia from 18 March 2020 onwards.

Cost of sales and gross profit

Cost of sales increased by approximately RM5.0 million or 8.3% from approximately RM60.6 million in FY2019 to approximately RM65.6 million in FY2020 mainly due to the increase in stock written off arising from obsolescence of the stock of approximately RM6.0 million.

The GP margin decreased from 26.4% in FY2019 to 12.2% in FY2020 mainly due to increase in stock written off and decrease in revenue where certain fixed overhead costs were maintained while prices were reduced in order to maintain market competitiveness.

Other income

Other income increased by approximately RM0.3 million in FY2020 from approximately RM1.3 million in FY2019 to approximately RM1.6 million in FY2020 mainly due to the higher rental income received of RM0.6 million netted off against reduction in miscellaneous income. Miscellaneous income was higher in FY2019 mainly due to unrealised gain on disposal of plant and machinery to Marc Conleth Industries Sdn Bhd in prior year (Marc Conleth industries Sdn Bhd was a subsidiary of MSM International Limited but became an associated company on 9 January 2019).

Other gains & losses

Other gains and losses increased by approximately RM3.9 million in FY2020 from approximately RM0.3 million in FY2019 to approximately RM4.2 million in FY2020. The increase is mainly due to the increase in doubtful debts recovered of approximately RM1.1 million and a gain on dilution of shares and distribution from associated company of RM3.2 million resulting from the completion of the associated company's listing exercise

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

on the LEAP Market of Bursa Malaysia Securities Berhad ("Listing Exercise"), as announced on SGXNET on 9 March 2020.

Administrative expenses

Administrative expenses increased by approximately RM1.5 million or 10.0% from approximately RM14.5 million in FY2019 to approximately RM16.0 million in FY2020. This was mainly due to the depreciation on right-of-use assets of approximately RM1.9 million arising in FY2020 partially offset by reduction in staff cost of approximately RM0.5 million.

Finance expenses

Finance expenses increased by approximately RM0.5 million or 16.2% from approximately RM2.9 million in FY2019 to approximately RM3.4 million in FY2020. This was mainly due to the adoption of SFRS(I) 16 Leases, which resulted in lease liabilities interest of approximately RM0.2 million and higher term loan interest of approximately RM0.2 million after drawdown of term loan in FY2020.

Share of profit of associated companies

The Group has a share of profit from its associated companies of approximately RM754,000 in FY2020 for 12 months period compare to RM150,000 for 4 months period in FY2019.

Commentary on Financial Position

Trade and other receivables

	Group RM'000	
	31 March 2020 (Unaudited)	31 March 2019 (Audited)
Trade receivables	21,877	23,156
Other receivables	7,499	4,606
Total trade and other receivables	29,376	27,762

Trade receivables decreased by approximately RM1.3 million from RM23.2 million as at 31 March 2019 to approximately RM21.9 million as at 31 March 2020 in line with the decrease in revenue.

Other receivables increased by approximately RM2.9 million from RM4.6 million as at 31 March 2019 to RM7.5 million as at 31 March 2020 mainly due to amount owing from associated company and slow collection of rental income as most customers temporarily ceased their business activities from 18 March 2020 onward as Government of Malaysia implemented the movement control order ("MCO").

Inventories

Inventories decreased by approximately RM6.7 million from RM21.3 million as at 31 March 2019 to approximately RM14.6 million as at 31 March 2020 mainly due to stock written off of approximately RM6.0 million and decrease in revenue.

Other current assets

Other current assets decreased by approximately RM1.7 million from approximately RM6.9 million as at 31 March 2019 to RM5.2 million as at 31 March 2020. This was mainly due to lesser prepayment paid to supplier to purchase goods.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Income tax recoverable

Income tax recoverable increased by approximately RM0.5 million from RM0.3 million as at 31 March 2019 to approximately RM0.8 million as at 31 March 2020. 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 increased by approximately RM15.7 million from approximately RM39.9 million as at 31 March 2019 to RM55.6 million as at 31 March 2020. This was mainly due to purchase of a land with a factory building erected thereon and construction cost for a factory on the Group's existing land, purchase of plant and machineries, recognition of right-of-use assets arising from SFRS(I) 16 Leases and other assets amounting to approximately RM10.1 million, RM6.2 million, RM4.9 million and RM1.0 million respectively offset by depreciation of approximately RM6.5 million.

Investments in associated companies

During FY2020, there was a restructuring of ownership of Marc Conleth Industries Sdn. Bhd. ("MCI) and Cosmos Instruments Sdn. Bhd. ("Cosmos") to Cosmos Technology International Sdn Bhd ("CTI"). CTI has subsequently changed its name to Cosmos Technology International Berhad ("CTIB"). Following completion of the restructuring, MSM International Limited owns 40% of CTIB.

On 9 March 2020, CTIB was admitted to the LEAP Market of Bursa Malaysia Securities Berhad and MSM International Limited currently owns 36% in CTIB.

The investment in associated companies increased by approximately RM3.9 million from approximately RM1.9 million as at 31 March 2019 to RM5.8 million as at 31 March 2020. This increase comprise of distribution from associated company , fair value gain on enlargement of share value upon listing exercise as mentioned above and share of profit throughout the FY2020 of approximately RM1.6 million, RM1.6 million and RM0.7 million respectively.

Borrowings

	Group RM'000	
	31 March 2020 (Unaudited)	31 March 2019 (Audited)
Bills payable	24,232	21,615
Finance lease liabilities	11,373	7,256
Bank borrowings	26,459	12,145
Bank overdrafts	11,513	10,869
Total borrowings	73,577	51,885

Borrowings increased by approximately RM21.7 million mainly due to increase in bills payables, finance lease liabilities, bank borrowings and bank overdraft by approximately RM2.6 million, RM4.1 million, RM14.3 million and RM0.7 million respectively. The increase in finance lease liabilities was due to purchase of plant and equipment of approximately RM7.4 million which offset with the repayment of finance lease liabilities of approximately RM3.3 million. The increase in term loan was due to purchase of land and building as well as construction cost for a factory on the Company's existing land and for working capital of approximately RM3.6 million and RM3.9 million and RM8.5 million respectively. Bills payable increased mainly due to the Company deferred the repayment of bills payable which was due in March 2020 during the movement control order issued by Government of Malaysia.

Lease liabilities

The increase was mainly due to the adoption of SFRS(I) 16 Leases which resulted in lease liabilities of approximately RM2.7 million.

Commentary on Cash Flow

The Group generated a net cash from operating activities of approximately RM3.2 million for FY2020. This was derived from operating profit before working capital changes of approximately RM1.9 million, adjusted net working capital inflow of approximately RM3.7 million, net interest paid of approximately RM1.8 million and net income tax paid of approximately RM0.6 million.

Net cash used in investing activities amounted to approximately RM9.8 million mainly due to net purchase of property, plant and equipment.

Net cash generated from financing activities amounted to approximately RM11.3 million mainly due to the net drawdown of term loan and rights issue of shares after net off against the net repayment lease liabilities, finance lease liabilities 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 Movement Control Order issued by the Government of Malaysia but resumed operations in early May 2020. The Group faced a challenging start of the year 2020 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 and acquisitions. The Group continues its efforts in controlling costs and reducing overheads to streamline operations in order to improve overall efficiency and recoverability of the receivables.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 2020 in order to reserve 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’s interest in the associated company pursuant to the restructuring of its associated company and subsequent Listing Exercise during FY2020, is set out below:

S/N	Associated Company	Effective ownership interest (%)	Date of announcement
1.	COSMOS TECHNOLOGY INTERNATIONAL BERHAD	36%	9 March 2020
2.	COSMOS TECHNOLOGY INTERNATIONAL BERHAD	40%	26 September 2019

Further details on the restructuring and Listing Exercise can be found in the Company’s announcements released on the dates as set out above.

Save for the above, the Company did not acquire or dispose of any shares resulting in any of the prescribed situations under Catalist Rule 706(A).

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED
31 MARCH 2020**

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 24 July 2020, the Company had utilised approximately S\$0.2 million as follows:-

Intended use of Net Proceeds	Amount allocated S\$	Amount utilised S\$	Balance available S\$
i) Funding Operating Costs	684,168	210,500*	473,668
ii) Expansion of Existing Business And Making New Strategic Investments and/ or Acquisitions	293,215	-	293,215
	977,383	210,500	766,883

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 2020

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 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

For the financial year ended 31 March 2019

	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	33,887	11,774	36,572	82,233
Adjusted EBITDA	5,187	732	1,083	7,002
Depreciation of property, plant and equipment	2,093	55	1,242	3,390
Finance expense	1,787	137	963	2,887

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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	
	FY2020	FY2019
	RM’000	RM’000
Adjusted EBITDA for reportable segments	64	7,002
Depreciation of property, plant and equipment	(5,693)	(3,390)
Depreciation of investment properties	(59)	(59)
Finance expense	(3,354)	(2,887)
Interest income	33	33
(Loss)/Profit before income tax and discontinued operations	(9,009)	699

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:

	FY2020		FY2019	
	RM’000	%	RM’000	%
OEM contract manufacturing	26,977	36.1	33,887	41.2
Cleanroom and laboratories	12,195	16.3	11,774	14.3
Kitchen appliances, equipment and related services	35,531	47.6	36,572	44.5
Total	74,703	100.0	82,233	100.0

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED
31 MARCH 2020**

BREAKDOWN OF GROUP REVENUE BY GEOGRAPHICAL REGIONS

	FY2020		FY2019	
	RM'000	%	RM'000	%
Malaysia	64,758	86.7	76,587	93.1
Vietnam	2,325	3.1	1,436	1.7
Indonesia	1,642	2.2	1,481	1.8
Singapore	3,533	4.7	864	1.1
United States of America	418	0.6	19	0.1
Others	2,027	2.7	1,846	2.2
Total	74,703	100.0	82,233	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 kitchen appliances, equipment and related services and OEM contract manufacturing. In Indonesia, the major operations is kitchen appliances, equipment and related services only.

In other countries, the operations include the sale of OEM contract manufacturing products in, United States of America, New Zealand, Thailand, Japan, Germany and France, the sale of kitchen appliances and equipment in Singapore, Indonesia, Vietnam, India, Myanmar, Thailand, Bangladesh and Cambodia, and the sale of cleanroom and laboratories in Philippines.

15. 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.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

16. A breakdown of sales.

	FY2020	FY2019	Change
	RM'000	RM'000	%
(a) Sales reported from 1 April to 30 September	34,379	43,363	-20.7
(b) Net profit after tax before deducting non-controlling interests from 1 April to 30 September	1,737	361	381.2
(c) Sales reported for the period from 1 October to 31 March	40,324	38,870	3.7
(d) Net profit after tax before deducting non-controlling interests for the period from 1 October to 31 March	(10,884)	(241)	-4,416.1
e) Net profit from discontinued operation	-	2,773	NM
Total sales for the year	74,703	82,233	-9.2
Total net (loss)/profit for the year	(9,147)	2,893	-416.2

NM: Not meaningful

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

	FY2020	FY2019
	(RM'000)	(RM'000)
Ordinary	-	-

18. 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 2020

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	68	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	67	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	45	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	36	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.

19. 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 July 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. 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.

The contact person for the Sponsor is Ms Jennifer Tan, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).