

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

A. Condensed Consolidated Statement of Comprehensive Income for FY2024 and FY2023

	Note	GROUP					
		For the second half year ended 31 March			For the full year ended 31 March		
		2HY2024	2HY2023	Increase/ (Decrease)	FY2024	FY2023	Increase/ (Decrease)
	RM'000	RM'000	%	RM'000	RM'000	%	
Revenue		46,396	41,775	11.1%	90,418	81,530	10.9%
Cost of sales		(37,448)	(30,902)	21.2%	(70,148)	(60,810)	15.4%
Gross profit		8,948	10,873	-17.7%	20,270	20,720	-2.2%
Other income							
- Interest		17	13	30.8%	35	24	45.8%
- Others		773	2,826	-72.6%	1,278	3,558	-64.1%
Other gains and losses, net							
- Reversal of loss allowance/(loss allowance) on financial assets		426	(6,887)	NM	563	(6,841)	NM
- Others		(130)	2,939	NM	16	3,159	-99.5%
Expenses							
- Selling and distribution		(1,983)	(2,038)	-2.7%	(3,786)	(4,045)	-6.4%
- Administrative		(8,005)	(7,485)	6.9%	(14,497)	(13,378)	8.4%
- Finance		(1,841)	(1,826)	0.8%	(3,618)	(3,525)	2.6%
		(1,795)	(1,585)	13.2%	261	(328)	NM
Share of profit of associated companies		195	492	-60.4%	607	1,059	-42.7%
(Loss)/profit before income tax	6	(1,600)	(1,093)	46.4%	868	731	18.7%
Income tax expense	7	(39)	(54)	-27.8%	(467)	(99)	371.7%
Net (loss)/profit for the financial period/year		(1,639)	(1,147)	42.9%	401	632	-36.6%
Other comprehensive (loss)/income:							
Exchange (loss)/income arising from translation of foreign operations		(28)	14	NM	(10)	(87)	-88.5%
Other comprehensive (loss)/income for the financial period/year, net of tax		(28)	14	NM	(10)	(87)	-88.5%
Total comprehensive (loss)/income		(1,667)	(1,133)	47.1%	391	545	-28.3%
Net (loss)/profit attributable to:							
Equity holders of the Company		(1,704)	(1,176)	44.9%	377	666	-43.4%
Non-controlling interests		65	29	124.1%	24	(34)	NM
		(1,639)	(1,147)	42.9%	401	632	-36.6%

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	GROUP					
		For the second half year ended 31 March			For the full year ended 31 March		
		2HY2024	2HY2023	Increase/ (Decrease)	FY2024	FY2023	Increase/ (Decrease)
	RM'000	RM'000	%	RM'000	RM'000	%	
Total comprehensive (loss)/income attributable to:							
Equity holders of the Company		(1,732)	(1,162)	49.1%	367	579	-36.6%
Non-controlling interests		65	29	124.1%	24	(34)	NM
		(1,667)	(1,133)	47.1%	391	545	-28.3%
(Loss)/ Earnings Per Share (Malaysian sen)							
- Basis	9	(1.62)	(1.12)		0.36	0.63	
- Diluted	9	(1.62)	(1.12)		0.36	0.63	

NM: Not meaningful

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

B. Condensed Statements of Financial Position

	Note	Group		Company	
		As at 31/3/24 (Unaudited)	As at 31/3/23 (Audited)	As at 31/3/24 (Unaudited)	As at 31/3/23 (Audited)
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Current assets					
Cash and bank balances		7,416	9,234	67	409
Trade and other receivables		23,165	25,055	12,768	13,366
Inventories		9,315	10,042	-	-
Other current assets		7,973	5,183	-	-
Income tax recoverable		1,136	1,190	-	-
		49,005	50,704	12,835	13,775
Non-current assets					
Property, plant and equipment	11	38,776	42,839	-	-
Investment properties		5,541	3,504	-	-
Investments in subsidiary corporations		-	-	19,654	19,654
Investments in associated companies		14,429	13,822	5,056	5,056
		58,746	60,165	24,710	24,710
Total assets		107,751	110,869	37,545	38,485
LIABILITIES					
Current liabilities					
Trade and other payables		14,603	16,642	5,803	5,302
Borrowings	12	31,035	29,647	-	-
Lease liabilities	13	2,404	2,829	-	-
		48,042	49,118	5,803	5,302
Non-current liabilities					
Borrowings	12	21,165	23,578	-	-
Lease liabilities	13	5,291	5,311	-	-
Deferred income tax liabilities		143	143	-	-
		26,599	29,032	-	-
Total liabilities		74,641	78,150	5,803	5,302
NET ASSETS		33,110	32,719	31,742	33,183
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	14	30,158	30,158	30,158	30,158
Currency translation reserve		(132)	(122)	-	-
Retained earnings		2,085	1,708	1,584	3,025
		32,111	31,744	31,742	33,183
Non-controlling interests		999	975	-	-
Total equity		33,110	32,719	31,742	33,183

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

C. Condensed Consolidated Statements of Changes in Equity

Group	Share capital	Currency translation reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling Interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2023	30,158	(122)	1,708	31,744	975	32,719
Net profit for the financial year	-	-	377	377	24	401
Other comprehensive loss for the financial year	-	(10)	-	(10)	-	(10)
Balance as at 31 March 2024	30,158	(132)	2,085	32,111	999	33,110
Balance as at 1 April 2022	30,158	(35)	1,042	31,165	1,009	32,174
Net profit/(loss) for the financial year	-	-	666	666	(34)	632
Other comprehensive loss for the financial year	-	(87)	-	(87)	-	(87)
Balance as at 31 March 2023	30,158	(122)	1,708	31,744	975	32,719

Company	Share capital	Currency translation reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling Interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2023	30,158	-	3,025	33,183	-	33,183
Total comprehensive loss for the financial year	-	-	(1,441)	(1,441)	-	(1,441)
Balance as at 31 March 2024	30,158	-	1,584	31,742	-	31,742
Balance as at 1 April 2022	30,158	-	6,998	37,156	-	37,156
Total comprehensive loss for the financial year	-	-	(3,973)	(3,973)	-	(3,973)
Balance as at 31 March 2023	30,158	-	3,025	33,183	-	33,183

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

D. Condensed Consolidated Statement of Cash Flows

	Group	
	RM'000	
	FY2024 (Unaudited)	FY2023 (Audited)
Cash flows from operating activities		
Net profit	401	632
Adjustments for:		
- Income tax expense	467	99
- Depreciation of property, plant and equipment	3,133	3,283
- Depreciation of investment properties	59	59
- Depreciation of right-of-use assets	269	777
- Gain on disposal of property, plant and equipment	(145)	(54)
- Gain on dilution of interest in associated companies	-	(3,204)
- Share of profit of associated companies	(607)	(1,059)
- Interest income	(35)	(24)
- Interest expense	3,618	3,525
- Unrealised currency translation gain	(10)	(87)
	7,150	3,947
Change in working capital		
- Trade and other receivables	1,890	10,362
- Inventories	727	(319)
- Other current assets	(2,790)	(138)
- Trade and other payables	616	265
- Bills payable	(607)	(2,866)
Cash generated from operations	6,986	11,251
Interest paid	(1,800)	(1,643)
Interest received	35	24
Income tax paid	(413)	(54)
Net cash provided by operating activities	4,808	9,578
Cash flow from investing activities		
Additions to property, plant and equipment	(1,683)	(3,154)
Proceeds from disposals of property, plant and equipment	876	2,070
Dividends received from associated companies	-	346
Net cash used in investing activities	(807)	(738)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Group	
	RM'000	
	FY2024 (Unaudited)	FY2023 (Audited)
Cash flow from financing activities		
Increase in short-term bank deposits pledged	(35)	(24)
Repayment of bank borrowings	(2,520)	(2,037)
Repayment of lease liabilities	(3,583)	(4,348)
Interest paid	(1,818)	(1,882)
Net cash used in financing activities	(7,956)	(8,291)
Net (decrease)/increase in cash and cash equivalents	(3,955)	549
Cash and cash equivalents at beginning of financial year	(308)	(857)
Cash and cash equivalents at end of financial year	(4,263)	(308)

Note:

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

	Group	
	RM'000	
	FY2024 (Unaudited)	FY2023 (Audited)
Cash and bank balances	7,416	9,234
Less: Short-term bank deposits pledged	(1,166)	(1,131)
Less: Bank overdraft	(10,513)	(8,411)
Cash and cash equivalents at end of financial year per Statement of Cash Flows	(4,263)	(308)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

E. Notes to the Condensed Consolidated Financial Statements

1. General information

MSM International Limited (the "Company") is listed on the Catalist, the sponsor-supervised listing platform of Singapore Exchange Securities Trading Limited ("SGX-ST"), which is incorporated and domiciled in Singapore. The address of its registered office is 77 Robinson Road, #06-03 Robinson 77, Singapore 068896. The principal place of business of the subsidiary corporations is located at Lot 1909, Jalan KPB 5, Kawasan Perindustrian Kampung Baru Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia.

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

The principal activities of the subsidiary corporations are as follows:

Name of subsidiary corporations	Principal activities
<u>Held by the Company</u>	
MSM Metal Industries Sdn. Bhd.	Contract manufacturing of all metal products
MSM Equipment Manufacturer Sdn. Bhd.	Contract manufacturing of kitchen equipment and sale of standard kitchen equipment
MSM Kitchen Sdn. Bhd	Sale and servicing of standard kitchen equipment products
Toyomi Engineering Sdn. Bhd.	Sale and servicing of metal parts and kitchen equipment, and design consultancy and installation works
FIC Kitchen Technology Sdn. Bhd.	Manufacturing, sale and servicing of refrigeration appliances
OMS Technology Sdn. Bhd.	Design, consultancy and installation works for cleanrooms and laboratories
Flexacon Automation System Sdn. Bhd.	Trading, design and supply of machine, conveyor system
MSM Metal (S) Pte. Ltd.	Trading and servicing of metal parts and kitchen equipment
<u>Held by the MSM Equipment Manufacturer Sdn. Bhd.</u>	
PT. Mulia Sinergi Metalindo	Sale and service of metal parts, kitchen equipment
MSM R Kitchen Sdn. Bhd.	Trading and servicing of metal parts and kitchen equipment

The principal activities of the associated companies are as follows:

Name of associated company	Principal activities
<u>Held by the Company</u>	
Cosmos Technology International Berhad	Investment holding
<u>Held by Cosmos Technology International Berhad</u>	
Cosmos Instruments Sdn. Bhd.	Supply of industrial automation and control instruments
MCI ETech Sdn. Bhd. (formerly known as Marc Conleth Industries Sdn. Bhd.)	Metal engineering work for oil and gas and environmental related industries

The Company's holding corporation is Triumphant Hope Sdn. Bhd., incorporated in Malaysia.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. Basis of preparation

These condensed interim financial statements for the six months 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 Committee. The condensed interim consolidated 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 since the last condensed interim 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 Singapore Financial Reporting Standards (International) (“SFRS(I)s”), except for the adoption of new and amended standards as set out in Note 2.1.

The financial statements are presented in Malaysian Ringgit (“RM”) and all values are rounded up to the nearest thousand (“RM’000”) except as otherwise indicated.

2.1 New and amended standards adopted by the Group

Other than the adoption of the new and amended standards from prior reporting year, there were no changes in accounting policies and methods of computation adopted in the condensed interim consolidated financial statements as compared to the last audited consolidated financial statements for the financial year ended 31 March 2023, which were in accordance with SFRS(I)s.

2.2 Critical judgements, assumptions and estimation uncertainties

The judgement made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited consolidated financial statements as at and for the financial 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.

3. Seasonal operations

The Group’s business is not affected significantly by seasonal or cyclical factors during the financial year.

4. Segment and revenue information

4.1 Reportable segments

For the second half year ended 31 March (2HY2024)

	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	16,923	10,144	19,329	46,396
Adjusted EBITDA	2,621	(617)	(151)	1,853
Depreciation of property, plant and equipment and right-of-use assets	1,088	48	464	1,600
Finance expense	1,298	65	478	1,841

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

For the second half year ended 31 March (2HY2023)

	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	16,065	4,201	21,509	41,775
Adjusted EBITDA	3,932	(660)	(473)	2,799
Depreciation of property, plant and equipment and right-of-use assets	1,416	35	598	2,049
Finance expense	1,309	65	452	1,826

For the financial year ended 31 March 2024

	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	33,333	19,730	37,355	90,418
Adjusted EBITDA	5,091	1,124	1,697	7,912
Depreciation of property, plant and equipment and right-of-use assets	2,289	82	1,031	3,402
Finance expense	2,548	137	933	3,618

For the financial year ended 31 March 2023

	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	32,431	9,154	39,945	81,530
Adjusted EBITDA	7,245	(338)	1,444	8,351
Depreciation of property, plant and equipment and right-of-use assets	2,735	70	1,255	4,060
Finance expense	2,522	151	852	3,525

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4.2 Geographical information

Breakdown of Group Revenue by Geographical Regions

	FY2024		FY2023	
	RM'000	%	RM'000	%
Malaysia	85,508	94.6	76,209	93.5
Vietnam	129	0.1	101	0.1
Indonesia	1,593	1.8	1,673	2.1
Singapore	1,938	2.1	2,371	2.9
Others	1,250	1.4	1,176	1.4
Total	90,418	100.0	81,530	100.0

5. Financial assets and financial liabilities

	Group RM'000		Company RM'000	
	As at 31/3/24 (Unaudited)	As at 31/3/23 (Audited)	As at 31/3/24 (Unaudited)	As at 31/3/23 (Audited)
Financial assets				
Cash and bank balances	7,416	9,234	67	409
Trade and other receivables	23,165	23,895	12,768	13,366
Other current assets	2,032	2,024	-	-
	32,613	35,153	12,835	13,775
Financial liabilities				
Trade and other payables	12,974	15,925	5,803	5,302
Borrowings	52,200	53,225	-	-
Lease liabilities	7,695	8,140	-	-
	72,869	77,290	5,803	5,302

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

6. Profit/(loss) before income tax

6.1 Significant items

	2HY2024	2HY2023	FY2024	FY2023
	RM'000	RM'000	RM'000	RM'000
Bad debts written off	-	565	-	565
Depreciation of property, plant and equipment	1,480	1,743	3,133	3,283
Depreciation of investment properties	29	30	59	59
Depreciation of right-of-use asset	120	306	269	777
Director remunerations	989	916	1,719	1,586
Interest expenses	1,841	1,826	3,618	3,525
Realised foreign exchange loss	95	145	76	159
Unrealised currency translation loss/(gain)	53	14	53	(87)
(Reversal of loss allowance)/loss allowances on financial assets - net	(426)	6,303	(563)	6,303
Gain on disposal of property, plant and equipment	(18)	(106)	(145)	(54)
Gain on dilution of interest in associated companies	-	(3,204)	-	(3,204)
Interest income	(17)	(13)	(35)	(24)
Insurance claim	(127)	(2,489)	(415)	(2,777)
Staff costs	5,646	6,932	13,187	13,002

6.2 Related party transactions

Key management personnel compensation is as follows:

	2HY2024	2HY2023	FY2024	FY2023
	RM'000	RM'000	RM'000	RM'000
Salaries, bonuses and allowances	1,136	1,240	2,013	2,099
Directors' fees	119	114	235	212
Employer's contribution to defined contribution plans	91	93	174	173
Other short-term benefits	225	171	531	460
	1,571	1,618	2,953	2,944

7. Taxation

Included in income tax expense were:

	2HY2024	2HY2023	FY2024	FY2023
	RM'000	RM'000	RM'000	RM'000
Tax expense attributable to (loss)/profit is made up of:				
(Loss)/profit for the financial period/year:				
- Current income tax - Malaysia	(76)	99	274	144
- Deferred income tax	-	47	-	47
	(76)	146	274	191
Under/(over) provision in prior financial years:				
- Current income tax	115	(92)	193	(92)
	39	54	467	99

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

8. Dividend

No dividend was paid for the current financial year reported on.

9. Earnings per share

	Group		Group	
	2HY2024	2HY2023	FY2024	FY2023
(Loss)/earnings attributable to equity holders of the Company (RM'000)	(1,704)	(1,176)	377	666
Weighted average number of shares used in computation of basic EPS	105,391,186	105,391,186	105,391,186	105,391,186
Basic (loss)/earnings attributable to equity holders of the Company (Malaysian sen)	(1.62)	(1.12)	0.36	0.63
Diluted (loss)/earnings attributable to equity holders of the Company (Malaysian sen)	(1.62)	(1.12)	0.36	0.63

For the purpose of calculating diluted (loss)/earnings per shares, the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. There were no dilutive potential ordinary shares during the current and prior periods.

10. Net asset value

	Group		Company	
	As at 31/3/2024	As at 31/3/2023	As at 31/3/2024	As at 31/3/2023
Net asset value (RM'000)	33,110	32,719	31,742	33,183
Number of ordinary shares	105,391,186	105,391,186	105,391,186	105,391,186
NAV per ordinary share (Malaysian sen)	31.42	31.05	30.12	31.49

11. Property, plant and equipment

During the financial year ended 31 March 2024, the Group acquired assets amounting to RM2,166,000 (31 March 2023: RM6,927,000) and disposed of assets with net book value amounting to RM731,000 (31 March 2023: RM2,016,000).

MSM Metal Industries Sdn Bhd, a wholly-owned subsidiary of the Company has on 7 July 2023 entered into a sale and purchase agreement with Plustech Engineering and Construction Sdn. Bhd., for the sale of its properties located at Lot 1861, H.S.(M) 13710, Mukim Cheras, 43200 Cheras, Selangor and Lot 1867, Kawasan Perindustrian Kg Baru Balakong, 43300 Seri Kembangan, Selangor for an aggregate consideration of RM23.5 million which shall be paid via a combination of cash and by way of a set off against the contract price for construction of a building, subject to the terms and conditions of the sale and purchase agreement. For further information, please refer to the announcement dated 7 July 2023.

12. Borrowings

Amount repayable in one year or less, or on demand

	Group	
	As at 31/3/24 (Unaudited) RM'000	As at 31/3/23 (Audited) RM'000
Bank overdrafts	10,513	8,411
Bank borrowings	2,538	2,645
Bills payables	17,984	18,591
	31,035	29,647

Amount repayable after one year

	Group	
	As at 31/3/24 (Unaudited) RM'000	As at 31/3/23 (Audited) RM'000
Bank borrowings		
- due between one to five years	8,894	10,212
- due after five years	12,271	13,366
	21,165	23,578

Details of collaterals

All of the above borrowings are fully secured on:

- (i) Legal mortgages over the Group's freehold and leasehold land and buildings.
- (ii) Charged over short-term bank deposits; and
- (iii) Joint and personal guarantee of certain directors and controlling shareholders.

As at 31 March 2024, a subsidiary corporation of the Company had outstanding bills payables and bank overdrafts amounting to a total of RM1.9 million owing to a bank. However, the subsidiary corporation 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 RM13.0 million as at 31 March 2024. Meanwhile, the bank has reviewed the management accounts and agreed to continue extending the banking facilities of the subsidiary corporation until the next review.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

13. Lease liabilities

	Group	
	As at 31/3/24 (Unaudited) RM'000	As at 31/3/23 (Audited) RM'000
Current	2,404	2,829
Non-current	5,291	5,311
	7,695	8,140

Lease liabilities of the Group as at 31 March 2024 amounting to RM7,545,000 (31 March 2023: RM7,850,000) are effectively secured over the leased plant and machinery, motor vehicles and computer and office equipment, as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the lease liabilities.

14. Share capital

	The Group and The Company			
	As at 31/3/24		As at 31/3/23	
	Number of shares	RM'000	Number of shares	RM'000
At beginning and end of financial year	105,391,186	30,158	105,391,186	30,158

There were no changes in the Company's share capital since 30 September 2023 to 31 March 2024.

The Company did not have any outstanding convertibles, subsidiary holdings or treasury shares as at 31 March 2024 and 31 March 2023.

The Company's subsidiary corporations do not hold any shares in the Company as at 31 March 2024 and 31 March 2023.

15. Events subsequent to period end

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Other information required by Listing Rule Appendix 7C

1. Review

The condensed consolidated statement of financial position of MSM International Limited and its subsidiaries as at 31 March 2024 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial year then ended and certain explanatory notes have not been audited or reviewed.

Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (this is not required for any audit issue that is a material uncertainty relating to going concern)

- (a) **Update 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.**

Not applicable

2. Review of performance of the Group

Commentary on Financial Results

Revenue

Segments	2HY2024 RM'000	2HY2023 RM'000	FY2024 RM'000	FY2023 RM'000
Original Equipment Manufacturer ("OEM")	16,923	16,065	33,333	32,431
Kitchen appliances, equipment and related services ("F&B")	19,329	21,509	37,355	39,945
Cleanroom and laboratories	10,144	4,201	19,730	9,154
Total	46,396	41,775	90,418	81,530

Revenue in FY2024 increased by approximately RM8.9 million or 10.9% from approximately RM81.5 million in FY2023 to RM90.4 million in FY2024. This was mainly due to the increase in revenue from the OEM segment and cleanroom and laboratories segment by RM0.9 million and RM10.6 million respectively, netted off against decrease in revenue from F&B segment by RM2.6 million respectively.

The increase in the FY2024 revenue was mainly due to commencement of few projects in the cleanroom and laboratories segment during the year which was postponed in prior years. However, the demand in F&B segment has decreased slightly due to chain-store customers has lower budget for expansion in FY2024.

Revenue in 2HY2024 has increased by approximately RM4.6 million or 11.1% from approximately RM41.8 million in 2HY2023 to RM46.4 million in 2HY2024 due to the increase in revenue from the OEM segment and cleanroom and laboratories segment by RM0.9 million and RM5.9 million respectively, netted off against decrease in revenue from F&B segment by RM2.2 million respectively.

Cost of sales and gross profit

Cost of sales in FY2024 increase by approximately RM9.3 million or 15.4% from RM60.8 million in FY2023 to RM70.1 million in FY2024 which in line with increase in revenue.

The gross profit in FY2024 remain relatively consistent with FY2023 despite the increase in revenue while the gross profit for 2HY2024 had decreased by RM1.9 million from approximately RM10.8 million in 2HY2023 to approximately RM8.9 million in 2HY2024. Gross profit margin for FY2024 decreased by 3.0 percentage point from 25.4% in FY2023 to 22.4% in FY2024 mainly due to the material projects secured by cleanroom and laboratories segment in current financial year has contributed lower profit margin.

Other income

Other income decreased by approximately RM2.3 million in FY2024 from approximately RM3.6 million in FY2023 to approximately RM1.3 million in FY2024 mainly due to higher insurance claimed of approximately RM2.4 million in FY2023 for the fire incident happened on 2 May 2022.

Other gains and losses

The Group recorded other gains of approximately RM0.6 million in FY2024 as compared to other losses of approximately RM3.7 million in FY2023. The higher losses in FY2023 was due to the net loss allowance on financial assets amounting to RM6.8 million netted off against a gain from dilution of interest in associated company, Cosmos Technology International Berhad of approximately RM3.2 million upon issuance of IPO placement shares for its listing in ACE market on 6 October 2022. In FY2024, the other gains mainly related to doubtful debts amounting to RM0.6 million being recovered.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately RM0.2 million from approximately RM4.0 million in FY2023 to approximately RM3.8 million in FY2024. This was mainly due to decrease in carriage outwards and sales commission paid to third party by approximately RM0.1 million and RM0.1 million respectively.

Administrative expenses

Administrative expenses increased by approximately RM1.1 million from approximately RM13.4 million in FY2023 to approximately RM14.5 million in FY2024 mainly due to the increased in staff salaries by approximately RM0.9 million arising from increased headcount and salary adjustment.

Share of profit of associated companies

The Group's share of profit from its associated companies decreased by approximately RM0.5 million from approximately RM1.1 million in FY2023 compared to RM0.6 million in FY2024 due to the weaker financial performance of the associated company, Cosmos Technology International Berhad in FY2024.

Income tax expenses

Income tax expenses stood at RM0.5 million in FY2024, reflecting an increase of approximately RM0.4 million in FY2024. The lower income tax in FY2023 mainly due to utilisation of unrecognised tax losses.

Commentary on Financial Position

Trade and other receivables

	Group RM'000	
	As at 31/3/24 (Unaudited)	As at 31/3/23 (Audited)
Trade receivables	22,239	20,368
Other receivables	926	3,527
Contract assets	-	1,160
	23,165	25,055

Trade receivables increased by approximately RM1.8 million from approximately RM20.4 million as at 31 March 2023 to approximately RM22.2 million as at 31 March 2024 which in line with increase in revenue.

Other receivables decreased by approximately RM2.6 million from approximately RM3.5 million as at 31 March 2023 to approximately RM0.9 million as at 31 March 2024 mainly due to receipt of insurance compensation of approximately RM1.9 million owing from insurer for fire incident happened on 2 May 2022 in FY2024.

Inventories

Inventories decreased by approximately RM0.7 million from approximately RM10.0 million as at 31 March 2023 to approximately RM9.3 million as at 31 March 2024 mainly due to lower demand from customers in last quarter of financial year ended 31 March 2024.

Other current assets

Other current assets increased by approximately RM2.8 million from approximately RM5.2 million as at 31 March 2023 to RM8.0 million as at 31 March 2024 due to higher prepayment paid to supplier to purchase goods to reserve for customer's demand in first quarter of the subsequent financial year.

Property, plant and equipment

Property, plant and equipment decreased by approximately RM4.0 million from approximately RM42.8 million as at 31 March 2023 to RM38.8 million as at 31 March 2024. This was mainly due to the addition of approximately RM2.2 million offset by depreciation charges of approximately RM3.4 million, disposal of plant and equipment which carried net book value of approximately RM0.7 million and a property with cost of approximately RM2.1 million has been reclassified to investment property.

Investment properties

Investment properties has increased by approximately RM2.1 million from approximately RM3.5 million as at 31 March 2023 to RM5.6 million as at 31 March 2024 due to a piece of freehold land as mentioned above has been reclassified to investment property for capital appreciation purpose.

Investments in associated companies

The investment in associated companies increased by approximately RM0.6 million from approximately RM13.8 million as at 31 March 2023 to RM14.4 million as at 31 March 2024 due to the share of profit in FY2024 of approximately RM0.6 million.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Trade and other payables

	Group RM'000	
	As at 31/3/24 (Unaudited)	As at 31/3/23 (Audited)
Trade payables	9,276	11,412
Other payables	4,178	5,230
Contract liabilities	1,149	-
	14,603	16,642

Trade payables decreased by approximately RM2.1 million from approximately RM11.4 million as at 31 March 2023 to approximately RM9.3 million as at 31 March 2024 mainly due to faster payment made to supplier.

Other payables decreased by approximately RM1.0 million from approximately RM5.2 million as at 31 March 2023 to approximately RM4.2 million as at 31 March 2024 mainly due to lesser deposits received from customer, lesser accrued overtime claim and faster payment made to supplier of approximately RM0.2 million, RM0.2 million and RM0.6 million respectively.

Borrowings

	Group RM'000	
	As at 31/3/24 (Unaudited)	As at 31/3/23 (Audited)
Bills payables	17,984	18,591
Bank loans	23,703	26,223
Bank overdrafts	10,513	8,411
Total borrowings	52,200	53,225

Total borrowings decreased by approximately RM1.0 million from approximately RM53.2 million as at 31 March 2023 to approximately RM52.2 million as at 31 March 2024. This was mainly due to decrease in bills payables and bank loans of approximately RM0.6 million and RM2.5 million respectively, partially offset by an increase in bank overdrafts of approximately RM2.1 million.

Lease liabilities

Lease liabilities decreased by approximately RM0.4 million from approximately RM8.1 million as at 31 March 2023 to approximately RM7.7 million as at 31 March 2024 due to repayment of approximately RM3.5 million netted off against addition of lease liabilities of approximately RM3.1 million in FY2024 for purchase of motor vehicles and machineries.

Commentary on Cash Flow

The Group generated a net cash from operating activities of approximately RM4.8 million for FY2024. This was derived from operating profit before working capital changes of approximately RM7.2 million, adjusted net working capital outflow of approximately RM0.2 million, net interest paid of approximately RM1.8 million and net income tax paid of approximately RM0.4 million.

Net cash used in investing activities amounted to approximately RM0.8 million mainly due to purchase of plant and equipment of approximately RM1.7 million and offset against proceeds from disposal of plant and equipment of approximately RM0.9 million.

Net cash used in financing activities amounted to approximately RM8.0 million mainly due to net repayment of bank loans, lease liabilities and interest paid.

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

Not applicable. No specific forecast or prospect statement has been previously disclosed to the shareholders.

4. 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 Directors are of the view that the outlook for the Group's businesses for the next 12 months remain challenging due to competitive pressures within the industry, geopolitical tension and an uncertain global economic outlook.

Nevertheless, the Group remains cautiously optimistic and will continuously explore potential 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.

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

Not applicable

(d) Date payable

Not applicable

(e) Record date

Not applicable

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

6. If no dividend has been declared/recommended, 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 2024 in order to preserve capital for business growth.

7. 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 there was no disclosable interested person transactions for the period under review.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Listing Manual of the SGX-ST.

9. Changes in the composition in the Group

There is no changes in the composition of the Group since FY2023 up to date.

10. A breakdown of sales as follows:

	FY2024	FY2023	Change
	RM'000	RM'000	%
(a) Sales reported for the period from 1 April to 30 September	44,022	39,755	10.7
(b) Net profit after tax before deducting non-controlling interests for the period from 1 April to 30 September	2,040	1,779	14.7
(c) Sales reported for the period from 1 October to 31 March	46,396	41,775	11.1
(d) Net loss after tax before deducting non-controlling interests for the period from 1 October to 31 March	(1,639)	(1,147)	42.9
Total sales for the year	90,418	81,530	10.9
Total net profit for the year	401	632	-36.6

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

	FY2024	FY2023
	(RM'000)	(RM'000)
Ordinary	-	-

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

12. 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 Catalyst 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:

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	72	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	71	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	49	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	40	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.

MSM International Limited
(Co. Regn. No: 200918800R)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

On behalf of the Board of Directors

Chan Kee Sieng
Executive Chairman

Chan Kit Moi
Executive Director

28 May 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.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.