

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

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED
31 MARCH 2019**

CHANGE OF FINANCIAL YEAR END

On 6 December 2017, MSM International Limited announced a change of financial year end from 31 December to 31 March. Consequent thereto, the financial statements prepared for this unaudited results announcement will cover a 12-months financial year from 1 April 2018 to 31 March 2019 (“**FY2019**”) versus a 15-months financial period from 1 January 2017 to 31 March 2018 (“**FP2018**”).

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 period.

Group statement of comprehensive income for 12-months ("FY2019") and 15-months ("FP2018").

	Group		
	RM'000		%
	FY2019 (Unaudited)	FP2018 (Audited)	Increase/ (Decrease)
Continuing operations			
Revenue	82,233	111,879	-26.5%
Cost of sales	(60,560)	(82,061)	-26.2%
Gross profit	21,673	29,818	-27.3%
Other income			
- Interest	33	37	-10.8%
- Others	1,755	954	84.0%
Other gains and losses			
- impairment loss on financial assets	(179)	(780)	-77.1%
- Others	5	(190)	-102.6%
Expenses			
- Selling and distribution	(5,349)	(6,617)	-19.2%
- Administrative	(14,502)	(18,073)	-19.8%
- Finance	(2,887)	(3,170)	-8.9%
Share of profit of associated companies	549	1,979	-72.2%
	150	-	100.0%
Profit before income tax	699	1,979	64.7%
Income tax expense	(579)	(1,210)	-52.1%
Net profit from continuing operations	120	769	-84.4%
Discontinued operations			
Profit from discontinued operations	2,773	1,112	149.4%
Total profit	2,893	1,881	53.8%

NM: Not meaningful

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Group		
	RM'000		%
	FY2019 (Unaudited)	FP2018 (Audited)	Increase/ (Decrease)
Profit attributable to:			
Equity holders of the Company	2,802	1,852	51.3%
Non-controlling interests	91	29	213.8%
	2,893	1,881	53.8%
Profit attributable to equity holders of the Company relates to:			
Profit from continuing operations	29	740	-96.1%
Profit from discontinued operations	2,773	1,112	149.4%
	2,802	1,852	51.3%
Total comprehensive income attributable to:			
Equity holders of the Company	2,802	1,852	51.3%
Non-controlling interests	91	29	213.8%
	2,893	1,881	53.8%

Note:

During the 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 2019

Note:

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

	FY2019 RM'000			FP2018 RM'000		
	Continuing operations	Discontinued Operations	Total	Continuing operations	Discontinued Operations	Total
Bad debts written off	*	-	*	28	-	28
Commission	148	-	148	486	29	515
Depreciation of investment properties	59	-	59	74	-	74
Depreciation of property, plant and equipment	3,390	654	4,044	4,312	1,153	5,465
Directors' remuneration	1,370	-	1,370	1,891	-	1,891
Net foreign exchange (gain)/loss	(15)	(806)	(821)	189	958	1,147
Gain on disposal of property, plant and equipment	(485)	-	(485)	(6)	(42)	(48)
Loss on disposal of a subsidiary corporation	11	-	11	-	-	-
Property, plant and equipment written off	-	-	-	87	-	87
Inventories written off	-	-	-	658	-	658
Interest income	(33)	(9)	(42)	(37)	(14)	(51)
Interest expense	2,887	606	3,493	3,170	933	4,103
Rental expenses	1,314	314	1,628	816	474	1,290
Rental income	(796)	(117)	(913)	(528)	(62)	(590)
Staff costs	16,005	2,620	18,625	21,360	4,276	25,636

* Figure below RM1,000

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 31/3/19	As at 31/3/18	As at 31/3/19	As at 31/3/18
	RM'000 (Unaudited)	RM'000 (Audited)	RM'000 (Unaudited)	RM'000 (Audited)
ASSETS				
Current assets				
Cash and bank balances	7,834	10,422	*	*
Trade and other receivables	27,762	27,276	15,488	15,858
Inventories	21,264	21,335	-	-
Other current assets	6,879	4,808	-	-
Income tax recoverable	328	516	-	-
	64,067	64,357	15,488	15,858
Asset of disposal group classified as held-for-sale	-	20,799	-	600
	64,067	85,156	15,488	16,458
Non-current assets				
Property, plant and equipment	39,924	39,943	-	-
Investment properties	3,741	3,785	-	-
Investments in subsidiary corporations	-	-	19,454	18,804
Investments in associated companies	1,891	-	400	-
	45,556	43,728	19,854	18,804
Total assets	109,623	128,884	35,342	35,262
LIABILITIES				
Current liabilities				
Trade and other payables	13,392	11,866	1,508	2,798
Borrowings	36,150	38,011	-	-
	49,542	49,877	1,508	2,798
Liabilities directly associated with group classified as held-for-sale	-	17,173	-	-
	49,542	67,050	1,508	2,798
Non-current liabilities				
Borrowings	15,735	17,220	-	-
Deferred income tax liabilities	7	40	-	-
	15,742	17,260	-	-
Total liabilities	65,284	84,310	1,508	2,798
NET ASSETS	44,339	44,574	33,834	32,464
EQUITY				
Capital and reserves distributable to equity holders of the Company				
Share capital	26,862	26,862	26,862	26,862
Currency translation reserve	(61)	(61)	-	-
Retained earnings	16,935	17,261	6,972	5,602
	43,736	44,062	33,834	32,464
Non-controlling interests	603	512	-	-
Total equity	44,339	44,574	33,834	32,464

* 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 31/3/19 (Unaudited)	As at 31/3/18 (Audited)
Bank overdrafts	10,869	11,851
Bank borrowings	1,189	2,042
Bills payables	21,615	21,789
Finance lease liabilities	2,477	2,329
	36,150	38,011
Liabilities directly associated with group classified as held-for-sale		
Bank overdrafts	-	1,204
Bills payables	-	3,962
Finance lease liabilities	-	960
	-	6,126
	36,150	44,137

Amount repayable after one year

	Group	
	RM'000	
	As at 31/3/19 (Unaudited)	As at 31/3/18 (Audited)
Bank borrowings		
- due within two to five years	4,450	4,470
- due after five years	6,506	7,415
Finance lease liabilities		
- due within two to five years	4,798	5,211
- due after five years	30	124
	15,735	17,220

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 2019, the Group's freehold and leasehold land and buildings with carrying amounts of approximately RM26.4 million were mortgaged for bank borrowings. As at 31 March 2019, 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 2019

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 period.

Group statement of cash flows for 12-months ("FY2019") and 15-months ("FP2018").

	Group	
	RM'000	
	FY2019 (Unaudited)	FP2018 (Audited)
Cash flows from operating activities		
Total profit	2,893	1,881
Adjustments for:		
Income tax expense	579	1,821
Depreciation of property, plant and equipment	3,390	5,465
Depreciation of investment properties	59	74
Gain on disposal of property, plant and equipment	(485)	(48)
Loss on disposal of subsidiary corporation	11	-
Share of profit of associated companies	(150)	-
Property, plant and equipment written off	-	87
Interest income	(33)	(51)
Interest expense	2,887	4,103
Changes in working capital:	9,151	13,332
- Trade and other receivables	(1,804)	(11,386)
- Inventories	71	2,272
- Other current assets	(2,071)	(3,728)
- Trade and other payables	1,526	4,880
- Bills payables	(174)	7,450
Cash generated from operations	6,699	12,820
Interest paid	(1,973)	(2,547)
Interest received	33	51
Tax paid	(424)	(1,106)
Net cash generated from operating activities	4,335	9,218
Cash flow from investing activities		
Additions to property, plant and equipment	(1,165)	(637)
Additions to investment properties	(15)	(104)
Proceeds from disposal of property, plant and equipment	509	48
Net cash used in investing activities	(671)	(693)

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Group	
	RM'000	
	FY2019 (Unaudited)	FP2018 (Audited)
Cash flow from financing activities		
Increase in short-term bank deposits pledged	(33)	(51)
Proceeds from bank borrowings	25	159
Repayment of bank borrowings	(1,807)	(3,081)
Repayment of finance lease liabilities	(2,638)	(4,012)
Interest paid	(914)	(1,556)
Net cash used in financing activities	(5,367)	(8,541)
Net decrease in cash and cash equivalents	(1,703)	(16)
Cash and cash equivalents		
Beginning of financial year/period	(2,361)	(2,345)
End of financial year/period	(4,064)	(2,361)

Note:

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

	Group	
	RM'000	
	FY2019 (Unaudited)	FP2018 (Audited)
Cash and bank balances	7,834	10,422
Less:		
Short-term bank deposits pledged	(1,029)	(996)
Bank overdrafts	(10,869)	(11,851)
Asset of disposal group classified as held-for-sale		
Cash and bank balances	-	1,632
Less:		
Short-term bank deposits pledged	-	(364)
Bank overdrafts	-	(1,204)
Cash and cash equivalents at end of financial year/period per Statement of Cash Flows	(4,064)	(2,361)

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 period.

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 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
Balance as at 1 January 2017	26,862	(61)	15,409	42,210	483	42,693
Profit for the financial period, representing total comprehensive income for the financial period	-	-	1,852	1,852	29	1,881
Balance as at 31 March 2018	26,862	(61)	17,261	44,062	512	44,574
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 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
Balance as at 1 January 2017	26,862	-	(5,884)	20,978	-	20,978
Total comprehensive income for the financial period	-	-	11,486	11,486	-	11,486
Balance as at 31 March 2018	26,862	-	5,602	32,464	-	32,464

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 2019**

1(d) (ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, 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 2018 up to 31 March 2019.

The Company did not have any outstanding convertibles, subsidiary holdings or treasury shares as at 31 March 2019 and 31 March 2018.

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 2019	As at 31 March 2018
Total number of issued shares (excluding treasury shares)	90,000,000	90,000,000

The Company has no treasury shares, subsidiary holdings or convertibles outstanding as at 31 March 2019 and 31 March 2018.

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 qualifications or emphasis of a matter).

Not applicable.

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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 period ended 31 March 2018.

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 SFRS(I) on 1 April 2018. The Group's previously issued financial statements for periods up to and including the financial period ended 31 March 2018 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I) on 1 April 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) First-time Adoption of SFRS(I). The adoption of the SFRS(I) is assessed to have no material financial effect on the results and financial position of the Group and the Company for the FY19 except for SFRS(I) 9.

The Group has adopted SFRS(I) 9 Financial Instruments on 1 April 2018. The impact arising from the adoption of SFRS(I) 9 Financial Instruments is reflected in Note 1(d)(i) Statement of changes in equity.

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.

12-months financial year from 1 April 2018 to 31 March 2019 ("FY2019") and 15-months financial period from 1 January 2017 and 31 March 2018 ("FP2018").

	Group	
	FY2019	FP2018
Earnings attributable to equity holders of the Company, after deducting any provision for preference dividends (RM'000)	2,802	1,852
Weighted average number of shares used in computation of basic earnings per share	90,000,000	90,000,000
Basic earnings per share attributable to equity holders of the Company (Malaysian sen)	3.11	2.06
Diluted earnings per share attributable to equity holders of the Company (Malaysian sen)	3.11	2.06

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

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 year/period.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 period reported on; and**
(b) **immediately preceding financial year.**

	Group		Company	
	As at		As at	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
NAV per ordinary share (Malaysian sen)	49.27	49.53	37.59	36.07
Number of shares used in computation of NAV per share	90,000,000	90,000,000	90,000,000	90,000,000

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.**

Due to the change of financial year end in FP2018, the changes in income and expenses between the 12-months FY2019 are compared against the 15-months FP2018.

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

Commentary on Financial Results

Revenue

	FY2019 RM'000	FP2018 RM'000
Continuing operations		
Original Equipment Manufacturer ("OEM") contract	33,887	39,157
Kitchen appliances, equipment and related services	36,572	54,723
Cleanroom and laboratories	11,774	17,999
	82,233	111,879
Discontinued operations		
Oil and gas	25,824	38,487
Total	108,057	150,366

Revenue decreased by approximately RM42.3 million or 28.1% from approximately RM150.4 million in FP2018 to RM108.1 million in FY2019. This was mainly due to the longer 15 months period for FP2018 compared to 12 months period for FY2019. Kitchen appliances, equipment and related services and cleanroom and laboratories segment decline in revenue as less projects were awarded and certain major projects were billed or completed in FP2018.

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Cost of sales and gross profit

	FY2019 RM'000	FP2018 RM'000
Continuing operations	60,560	82,061
Discontinued operations	18,944	28,386
Total	79,504	110,447

Cost of sales decreased by approximately RM30.9 million or 28.0% from approximately RM110.5 million in FP2018 to approximately RM79.5 million in FY2019 corresponding with the decreased in revenue. The gross profit margin for FY2019 is 26.4%, consistent with 26.5% in FP2018.

Other income

	FY2019 RM'000	FP2018 RM'000
Continuing operations	1,788	991
Discontinued operations	135	168
Total	1,923	1,159

Other income increased by approximately RM0.7 million in FY2019 from approximately RM1.2 million in FP2018 to approximately RM1.9 million in FY2019 mainly due to the higher gain on disposal of property, plant and equipment of approximately RM0.4 million in FY2019 and increase in rental income by approximately RM0.3 million.

Other gains & losses

	FY2019 RM'000	FP2018 RM'000
Continuing operations	(174)	(970)
Discontinued operations	806	(957)
Total	632	(1,927)

Other gains and losses increased by approximately RM2.5 million in FY2019 from a loss of approximately RM1.9 million in FP2018 to a gain of approximately RM0.6 million in FY2019 mainly due to the Group incurred a foreign exchange loss of approximately RM1.2 million in FP2018 whereas the Group recorded a foreign exchange gain of approximately RM0.8 million in FY2019 and reduction in net impairment loss of financial assets by approximately RM0.6 million offset loss on disposal of subsidiary corporations of approximately RM11,000 in FY2019.

Selling and distribution expenses

	FY2019 RM'000	FP2018 RM'000
Continuing operations	5,349	6,617
Discontinued operations	2,562	4,112
Total	7,911	10,729

Selling and distribution expenses decreased by approximately RM2.8 million or 26.3% from approximately RM10.7 million in FP2018 to approximately RM7.9 million in FY2019. This was mainly due to the longer 15 months period for FP2018 compared to 12 months period for FY2019 and significant decline in carriage outward expenses for oil and gas segment after it has been disposed and classified under discontinued operations.

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Administrative expenses

	FY2019 RM'000	FP2018 RM'000
Continuing operations	14,502	18,073
Discontinued operations	1,424	2,544
Total	15,926	20,617

Administrative expenses decreased by approximately RM4.7 million or 22.8% from approximately RM20.6 million in FP2018 to approximately RM15.9 million in FY2019. This was mainly due to the longer 15 month period for FP2018 compared to 9 months for FY2019 prior to the disposal of the oil and gas which classified under discontinued operations.

Finance expenses

	FY2019 RM'000	FP2018 RM'000
Continuing operations	2,887	3,170
Discontinued operations	606	933
Total	3,493	4,103

Finance expenses decreased by approximately RM0.6 million or 14.9% from approximately RM4.1 million in FP2018 to approximately RM3.5 million in FY2019. This was mainly due to the longer 15 months period for FP2018 compared to 12 months for FY2019.

Share of profit of associated companies

The Group has a share of profit from its associated companies of approximately RM150,000 in FY2019 for 4 months period following the completion of disposal of 60% equity interest in a subsidiary operation and which became an associated company to the Group during FY2019.

Commentary on Financial Position

Trade and other receivables

	Group RM'000	
	31 March 2019 (Unaudited)	31 March 2018 (Audited)
Trade receivables	23,156	25,487
Other receivables	4,606	1,789
Total trade and other receivables	27,762	27,276

Trade receivables has decreased by approximately RM2.3 million from RM25.5 million as at 31 March 2018 to approximately RM23.2 million as at 31 March 2019 in line with the decrease in revenue.

Other receivables has increase by approximately RM2.8 million from RM1.8 million as at 31 March 2018 to RM4.6 million as at 31 March 2019 mainly due to loan amounting to RM3.4 million loan due from associated company.

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Income tax recoverable

Income tax recoverable decreased by approximately RM0.2 million from RM0.5 million as at 31 March 2018 to approximately RM0.3 million as at 31 March 2019. This was mainly due to certain overpaid tax has been refunded by the local tax authorities.

Other current assets

Other current assets increased by approximately RM2.1 million from approximately RM4.8 million as at 31 March 2018 to RM6.9 million as at 31 March 2019. This was mainly due to deposit for purchase of plant and machineries of approximately RM0.3 million and prepayment of purchase from suppliers of approximately RM1.7 million.

Trade and other payables

	Group RM'000	
	31 March 2019 (Unaudited)	31 March 2018 (Audited)
Trade payables	6,444	6,352
Other payables	6,948	5,514
Total trade and other payables	13,392	11,866

The increase in trade and other payables is mainly due to increase in other payables of approximately RM1.4 million from approximately RM5.5 million as at 31 March 2018 to approximately RM6.9 million as at 31 March 2019 which arising from loan amount of approximately RM1.6 million due to associated company.

Borrowings

	Group RM'000	
	31 March 2019 (Unaudited)	31 March 2018 (Audited)
Bills payable	21,615	21,789
Finance lease liabilities	7,256	7,664
Bank borrowings	12,145	13,927
Bank overdrafts	10,869	11,851
Total borrowings	51,885	55,231

Borrowings decreased by approximately RM3.3 million mainly due to reduction in bills payables, finance lease liabilities, bank borrowings and bank overdraft by approximately RM0.1 million, RM0.4 million, RM1.8 million and RM1.0 million respectively. The reduction is in line with the decrease in purchase.

Investments in associated companies

Investment in associated company of approximately RM1.9 million arose during FY2019 as a subsidiary corporation which became an associated company. An investment cost of approximately RM1.9 million and a share of profit of approximately RM150,000 have been reflected in FY2019.

Commentary on Cash Flow

The Group generated a net cash generated from operating activities of approximately RM4.3 million for FY2019. This was derived from operating profit before working capital changes of approximately RM9.1 million, adjusted net working capital outflow of approximately RM2.5 million, net interest paid of approximately RM1.9 million and net income tax paid of approximately RM0.4 million.

Net cash used in investing activities amounted to approximately RM0.7 million mainly due to net purchase of property, plant and equipment and investment properties.

Net cash used in financing activities amounted to approximately RM5.4 million mainly due to the repayment of term loan and finance lease liabilities, which included the respective interest payments.

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.

During FY2019, Marc Conleth Industries Sdn Bhd ceased to be a subsidiary of the Company and became an associated company. The absence of Marc Conleth Industries Sdn Bhd as a subsidiary, has affected the Group's revenue as the Group has only 3 segments remaining.

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 and at present uncertain economic outlook, eg: trade war between United States and China etc. 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 will also continue its efforts in controlling costs and reducing overheads to streamline operations to improve overall efficiency.

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 2019 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.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

14. 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 a 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 12-months financial year ended 31 March 2019

	OEM contract manufacturing RM'000	Cleanroom & laboratories RM'000	Kitchen appliances, equipment and related services RM'000	Total for continuing operations 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

For the 15-months financial period ended 31 March 2018

	OEM contract manufacturing RM'000	Cleanroom & laboratories RM'000	Kitchen appliances, equipment and related services RM'000	Total for continuing operations RM'000
Revenue				
- Sales to external parties	39,157	17,999	54,723	111,879
Adjusted EBITDA	3,777	2,559	3,162	9,498
Depreciation of property, plant and equipment	2,738	211	1,363	4,312
Finance expense	2,132	131	907	3,170

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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	
	FY2019 RM'000	FP2018 RM'000
Adjusted EBITDA for reportable segments	7,002	9,498
Depreciation of property, plant and equipment	(3,390)	(4,312)
Depreciation of investment properties	(59)	(74)
Finance expense	(2,887)	(3,170)
Interest income	33	37
Profit before income tax and discontinued operations	699	1,979

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:

	FY2019		FP2018	
	RM'000	%	RM'000	%
OEM contract manufacturing	33,887	41.2	39,157	35.0
Cleanroom and laboratories	11,774	14.3	17,999	16.1
Kitchen appliances, equipment and related services	36,572	44.5	54,723	48.9
Total	82,233	100.0	111,879	100.0

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED
31 MARCH 2019**

BREAKDOWN OF GROUP REVENUE BY GEOGRAPHICAL REGIONS

	FY2019		FP2018	
	RM'000	%	RM'000	%
Malaysia	76,587	93.1	100,283	89.6
Vietnam	1,436	1.7	1,553	1.4
Indonesia	1,481	1.8	3,699	3.3
Singapore	864	1.1	2,752	2.5
United States of America	19	0.1	513	0.5
Others	1,846	2.2	3,079	2.7
Total	82,233	100.0	111,879	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 Indonesia, the major operations is kitchen appliances, equipment and related services whereas OEM contract manufacturing products is minor operation 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 2019

16. A breakdown of sales.

	FY2019	FP2018	Change
	RM'000	RM'000	%
(a) Sales reported from 1 April to 30 September (six months) (FP2018: 1 January 2017 to 30 June 2017)	43,363	38,846	11.6
(b) Net profit after tax before deducting minority interests from 1 April to 30 September (six months) (FP2018: 1 January 2017 to 30 June 2017)	361	737	-51.0
(c) Sales reported for the period from 1 October to 31 March (six months) (FP2018: 1 July 2017 to 31 December 2017)	38,870	49,816	-22.0
(d) Net profit after tax before deducting minority interests for the period from 1 July to 31 December (six months) (FP2018: 1 July 2017 to 31 December 2017)	(241)	22	NM
(e) Sales reported for the period from (FP2018: 1 January 2018 to 31 March 2018)	-	23,217	N/A
(f) Net loss after tax before deducting minority interests (FP2018: 1 January 2018 to 31 March 2018)	-	10	N/A
h) Net profit from discontinued operation	2,773	1,112	149.4
Total sales for the year/period	82,233	111,879	-26.5
Total net profit for the year/period	2,893	1,881	53.8

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.

	FY2019	FP2018
	(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 2019

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	67	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	66	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	44	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	35	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 officer under Rule 720(1).

BY ORDER OF THE BOARD

Chan Kee Sieng
Executive Chairman
30 May 2019

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 assume 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).