

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

**A. Condensed Interim Consolidated Statement of Profit and Loss and Other Comprehensive Income for HY2023 and HY2022**

	Note	Group		
		RM'000		%
		HY2023 (Unaudited)	HY2022 (Unaudited)	Increase/ (Decrease)
<b>Revenue</b>		39,755	30,100	32.1%
Cost of sales		(29,908)	(23,414)	27.7%
<b>Gross profit</b>		9,847	6,686	47.3%
<b>Other income</b>				
- Interest		11	10	10.0%
- Others		732	729	0.4%
<b>Other gains and losses</b>				
- Reversal on financial assets		19	33	-42.4%
- Others		247	1,945	-87.3%
<b>Expenses</b>				
- Selling and distribution		(2,007)	(1,589)	26.3%
- Administrative		(5,893)	(6,452)	-8.7%
- Finance		(1,699)	(1,671)	1.7%
		1,257	(309)	NM
Share of profit of associated companies		567	1,260	-55.0%
<b>Profit before income tax</b>	6	1,824	951	91.8%
Income tax expense	7	(45)	(78)	-42.3%
<b>Net profit for the financial period</b>		1,779	873	103.8%
<b>Other comprehensive (loss)/income:</b>				
Exchange (loss)/gain arising from translation of foreign operations		(101)	25	NM
<b>Other comprehensive (loss)/income for the financial period, net of tax</b>		(101)	25	NM
<b>Total comprehensive income</b>		1,678	898	86.9%
<b>Net profit/(loss) attributable to:</b>				
Equity holders of the Company		1,842	799	130.5%
Non-controlling interests		(63)	74	NM
		1,779	873	103.8%

NM: Not meaningful

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	Note	Group		
		RM'000		%
		HY2023 (Unaudited)	HY2022 (Unaudited)	Increase/ (Decrease)
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the Company		1,741	824	111.3%
Non-controlling interests		(63)	74	NM
		1,678	898	86.9%
<b>Earnings Per Share (Malaysian sen)</b>				
- Basis	9	1.75	0.76	
- Diluted	9	1.75	0.76	

NM: Not meaningful

**Note:**

In September 2021, the Company disposed 100% of the issued share capital in Marc16 Equipment Manufacturing Sdn Bhd ("Marc16"), for a cash consideration of RM1,000,000. The disposal of Marc16 has resulted in a gain on disposal and an excess of the Consideration over the book value of Marc16 of approximately RM1.8 million to the Group (classified under "other gains and losses"). Marc16 ceased to be a subsidiary of the Company. Please refer to the announcements dated 6 August 2021 and 9 September 2021 for further details.

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**B. Condensed interim statements of financial position**

	Note	Group		Company	
		As at 30/9/22 (Unaudited)	As at 31/3/22 (Audited)	As at 30/9/22 (Unaudited)	As at 31/3/22 (Audited)
		RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		6,589	11,323	80	8
Trade and other receivables		35,494	35,417	17,812	18,154
Inventories		10,858	9,723	-	-
Other current assets		7,214	5,045	-	-
Income tax recoverable		1,317	1,188	-	-
		61,472	62,696	17,892	18,162
<b>Non-current assets</b>					
Property, plant and equipment	11	39,581	41,988	-	-
Investment properties		3,534	3,563	-	-
Investments in subsidiary corporations		-	-	19,654	19,654
Investments in associated companies		10,472	9,905	5,056	5,056
		53,587	55,456	24,710	24,710
<b>Total assets</b>		<b>115,059</b>	<b>118,152</b>	<b>42,602</b>	<b>42,872</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		14,485	16,628	3,160	5,716
Borrowings	12	33,573	34,766	-	-
Lease liabilities	13	1,091	3,531	-	-
		49,149	54,925	3,160	5,716
<b>Non-current liabilities</b>					
Borrowings	12	25,926	26,024	-	-
Lease liabilities	13	6,036	4,933	-	-
Deferred income tax liabilities		96	96	-	-
		32,058	31,053	-	-
<b>Total liabilities</b>		<b>81,207</b>	<b>85,978</b>	<b>3,160</b>	<b>5,716</b>
<b>NET ASSETS</b>		<b>33,852</b>	<b>32,174</b>	<b>39,442</b>	<b>37,156</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	14	30,158	30,158	30,158	30,158
Currency translation reserve		(136)	(35)	-	-
Retained earnings		2,884	1,042	9,284	6,998
		32,906	31,165	39,442	37,156
Non-controlling interests		946	1,009	-	-
<b>Total equity</b>		<b>33,852</b>	<b>32,174</b>	<b>39,442</b>	<b>37,156</b>

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

**C. Condensed interim 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
<b>Balance as at 1 April 2022</b>	30,158	(35)	1,042	31,165	1,009	32,174
Net profit/(loss) for the financial period	-	-	1,842	1,842	(63)	1,779
Other comprehensive loss for the financial period	-	(101)	-	(101)	-	(101)
<b>Balance as at 30 September 2022</b>	30,158	(136)	2,884	32,906	946	33,852
<b>Balance as at 1 April 2021</b>	30,158	(61)	(2,491)	27,606	822	28,428
Net profit for the financial period	-	-	799	799	74	873
Other comprehensive income for the financial period	-	25	-	25	-	25
<b>Balance as at 30 September 2021</b>	30,158	(36)	(1,692)	28,430	896	29,326

Company	Share capital	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
<b>Balance as at 1 April 2022</b>	30,158	-	6,998	37,156	-	37,156
Total comprehensive income for the financial period	-	-	2,286	2,286	-	2,286
<b>Balance as at 30 September 2022</b>	30,158	-	9,284	39,442	-	39,442
<b>Balance as at 1 April 2021</b>	30,158	-	9,668	39,826	-	39,826
Total comprehensive loss for the financial period	-	-	(2,184)	(2,184)	-	(2,184)
<b>Balance as at 30 September 2021</b>	30,158	-	7,484	37,642	-	37,642

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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

**D. Condensed interim consolidated statement of cash flows**

	Group	
	RM'000	
	HY2023 (Unaudited)	HY2022 (Unaudited)
<b>Cash flows from operating activities</b>		
Net profit	1,779	873
Adjustments for:		
- Income tax expense	45	78
- Depreciation of property, plant and equipment	1,540	1,782
- Depreciation of investment properties	29	29
- Depreciation of right-of-use assets	471	476
- Gain on disposal of property, plant and equipment	(160)	(30)
- Gain on disposal of a subsidiary	-	(1,839)
- Gain on lease modification	-	(60)
- Rent concessions	-	(32)
- Share of profit of associated companies	(567)	(1,260)
- Interest income	(11)	(10)
- Interest expense	1,699	1,671
- Unrealised currency translation (gain)/ loss	(101)	25
	<b>4,724</b>	<b>1,703</b>
<b>Change in working capital</b>		
- Trade and other receivables	(77)	(6,167)
- Inventories	(1,135)	(667)
- Other current assets	(2,169)	(979)
- Trade and other payables	(1,892)	7,683
- Bills payable	(134)	(540)
<b>Cash (used in)/generated from operations</b>	<b>(683)</b>	<b>1,033</b>
Interest paid	(793)	(675)
Interest received	11	10
Income tax paid	(174)	(172)
<b>Net cash (used in)/ provided by operating activities</b>	<b>(1,639)</b>	<b>196</b>
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(155)	(180)
Proceeds from disposals of property, plant and equipment	1,051	150
Disposal of a subsidiary corporation, net of cash disposed of	-	139
<b>Net cash provided by investing activities</b>	<b>896</b>	<b>109</b>

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

	Group	
	RM'000	
	HY2023 (Unaudited)	HY2022 (Unaudited)
<b>Cash flows from financing activities</b>		
Short-term bank deposits pledged	(11)	(10)
Repayment of bank borrowings	(864)	(420)
Repayment of lease liabilities	(1,928)	(2,124)
Interest paid	(906)	(996)
<b>Net cash used in financing activities</b>	<b>(3,709)</b>	<b>(3,550)</b>
Net decrease in cash and cash equivalents	(4,452)	(3,245)
Cash and cash equivalents at beginning of financial period	(857)	(944)
<b>Cash and cash equivalents at end of financial period</b>	<b>(5,309)</b>	<b>(4,189)</b>

**Note:**

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

	Group	
	RM'000	
	HY2023 (Unaudited)	HY2022 (Unaudited)
Cash and bank balances	6,589	9,627
Less: Short-term bank deposits pledged	(1,118)	(1,097)
Less: Bank overdraft	(10,780)	(12,719)
<b>Cash and cash equivalents at end of financial period per Statement of Cash Flows</b>	<b>(5,309)</b>	<b>(4,189)</b>

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

**E. Notes to the Condensed Interim 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 KP5, 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:

<b>Name of subsidiary corporations</b>	<b>Principal activities</b>
<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	<b>Principal activities</b> 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:

<b>Name of associated company</b>	<b>Principal activities</b>
<u>Held by the Company</u>	
Cosmos Technology International Bhd.	Investment holding
<u>Held by Cosmos Technology International Bhd.</u>	
Cosmos Instruments Sdn. Bhd.	Supply of industrial automation and control instruments
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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

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**2. Basis of preparation**

These unaudited condensed interim financial statements for the six months ended 30 September 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim 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 of the Group since the last annual consolidated financial statements for the financial year ended 31 March 2022.

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 2022, 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 2022.

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 period.



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

**4. Segment and revenue information**

**4.1 Reportable segments**

For the 6 months ended 30 September 2022

	OEM contract manufacturing RM'000	Cleanroom & laboratories RM'000	Kitchen appliances, equipment and related services RM'000	Total RM'000
<b>Revenue</b>				
- Sales to external parties	16,366	4,953	18,436	39,755
<b>Adjusted EBITDA</b>	3,313	322	1,917	5,552
Depreciation of property, plant and equipment	1,319	35	657	2,011
Finance expense	1,213	86	400	1,699

For the 6 months ended 30 September 2021

	OEM contract manufacturing RM'000	Cleanroom & laboratories RM'000	Kitchen appliances, equipment and related services RM'000	Total RM'000
<b>Revenue</b>				
- Sales to external parties	15,703	3,576	10,821	30,100
<b>Adjusted EBITDA</b>	4,362	290	247	4,899
Depreciation of property, plant and equipment	1,591	54	613	2,258
Finance expense	1,196	75	400	1,671

**4.2 Geographical information**

Breakdown of Group Revenue by Geographical Regions

	HY2023		HY2022	
	RM'000	%	RM'000	%
Malaysia	37,006	93.1	26,312	87.4
Vietnam	100	0.2	608	2.0
Indonesia	788	2.0	970	3.2
Singapore	1,337	3.4	1,982	6.6
Others	524	1.3	228	0.8
<b>Total</b>	<b>39,755</b>	<b>100.0</b>	<b>30,100</b>	<b>100.0</b>

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

**5. Financial assets and financial liabilities**

	Group RM'000		Company RM'000	
	As at 30/9/22 (Unaudited)	As at 31/3/22 (Audited)	As at 30/9/22 (Unaudited)	As at 31/3/22 (Audited)
<b>Financial assets</b>				
Cash and bank balances	6,589	11,323	80	8
Trade and other receivables	34,339	33,233	17,812	18,154
Other current assets	2,108	1,999	-	-
	<u>43,036</u>	<u>46,555</u>	<u>17,892</u>	<u>18,162</u>
<b>Financial liabilities</b>				
Trade and other payables	12,673	15,178	3,160	5,716
Borrowings	59,499	60,790	-	-
Lease liabilities	7,127	8,464	-	-
	<u>79,299</u>	<u>84,432</u>	<u>3,160</u>	<u>5,716</u>

**6. Profit before tax**

**6.1 Significant items**

	<b>HY2023 RM'000</b>	<b>HY2022 RM'000</b>
Bad debts written off	-	13
Depreciation of property, plant and equipment	1,540	1,782
Depreciation of investment properties	29	29
Depreciation of right-of-use asset	471	476
Director remunerations	670	634
Interest expenses	1,699	1,671
Interest income	(11)	(10)
Reversal of allowance for doubtful debts	-	(33)
Gain on disposal of property, plant and equipment	(160)	(30)
Gain on disposal of a subsidiary	-	(1,839)
Realised foreign exchange loss/(gain)	-	(16)
Staff costs	6,070	5,622

**6.2 Related party transactions**

Key management personnel compensation is as follows:

	<b>HY2023 RM'000</b>	<b>HY2022 RM'000</b>
Salaries, bonuses and allowances	859	872
Directors' fees	98	84
Employer's contribution to defined contribution plans	80	78
Other short-term benefits	289	279
	<u>1,326</u>	<u>1,313</u>

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

**7. Taxation**

Included in income tax expense were:

	<b>HY2023</b>	<b>HY2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Current income tax	45	78

**8. Dividend**

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

**9. Earnings per share**

	<b>Group</b>	
	<b>HY2023</b>	<b>HY2022</b>
Earnings attributable to equity holders of the Company, after deducting any provision for preference dividends (RM'000)	1,842	799
Weighted average number of shares used in computation of basic EPS	105,391,186	105,391,186
Basic earnings attributable to equity holders of the Company (Malaysian sen)	1.75	0.76
Diluted earnings attributable to equity holders of the Company (Malaysian sen)	1.75	0.76

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares in the respective financial periods.

**10. Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>30/9/2022</b>	<b>31/3/2022</b>	<b>30/9/2022</b>	<b>31/3/2022</b>
Net asset Value (RM'000)	33,852	32,174	39,442	37,156
Number of ordinary shares	105,391,186	105,391,186	105,391,186	105,391,186
NAV per ordinary share (Malaysian sen)	32.12	30.53	37.42	35.26

**11. Property, plant and equipment**

During the six months ended 30 September 2022, the Group has acquired assets amounting to RM495,000 (30 September 2021: RM797,000) and disposed of assets with net book value amounting to RM891,000 (30 September 2021: RM120,000).

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

**12. Borrowings**

**Amount repayable in one year or less, or on demand**

	Group	
	As at 30/9/22 (Unaudited) RM'000	As at 31/3/22 (Audited) RM'000
Bank overdrafts	10,780	11,073
Bank borrowings	1,470	2,236
Bills payables	21,323	21,457
	33,573	34,766

**Amount repayable after one year**

	Group	
	As at 30/9/22 (Unaudited) RM'000	As at 31/3/22 (Audited) RM'000
Bank borrowings		
- due within two to five years	6,282	11,013
- due after five years	19,644	15,011
	25,926	26,024

**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 2022, a subsidiary corporation of the Company had outstanding bills payables and bank overdrafts amounting to a total of RM3.7 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 million as at 31 March 2022. Notwithstanding the aforementioned, the bank has notified the subsidiary corporation on 15 April 2022 that it is agreeable to continue extending the banking facilities until the next review of the bank facilities upon receipt of the subsidiary corporation's audited financial statements for FY2022.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

**13. Lease liabilities**

	Group	
	As at 30/9/22 (Unaudited) RM'000	As at 31/3/22 (Audited) RM'000
Current	1,091	3,531
Non-current	6,036	4,933
	7,127	8,464

Lease liabilities as at 30 September 2022 RM6,634,000 (31 March 2022: RM7,504,000) of the Group 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**

	Group		Company	
	As at 30/9/22	As at 31/3/22	As at 30/9/22	As at 31/3/22
At beginning and end of interim period	105,391,186	105,391,186	105,391,186	105,391,186

There were no changes in the Company's share capital since 31 March 2022 to 30 September 2022.

The Company did not have any outstanding convertibles, subsidiary holdings or treasury shares as at 30 September 2022, 31 March 2022 and 30 September 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2022, 31 March 2022 and 30 September 2021.

**15. Events subsequent to period end**

Save as below there are no known subsequent events which have led to adjustments to this set of interim financial statements.

The associated company, Cosmos Technology International Berhad ("COSMOS") has been listed on ACE Market of Bursa Malaysia at 6 October 2022 with initial public offering ("IPO") of 64,125,300 new ordinary shares for the entire enlarged total number of 256,501,300 shares. The shareholding of the Group in the COSMOS has been diluted from 36% to 27% after IPO.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS  
ENDED 30 SEPTEMBER 2022**

**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 30 September 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period 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***

<b>Segments</b>	<b>HY2023 RM'000</b>	<b>HY2022 RM'000</b>
Original Equipment Manufacturer ("OEM")	16,366	15,703
Kitchen appliances, equipment and related services ("F&B")	18,436	10,821
Cleanroom and laboratories	4,953	3,576
<b>Total</b>	<b>39,755</b>	<b>30,100</b>

Revenue increased by approximately RM9.7 million or 32.1% from approximately RM30.1 million in HY2022 to RM39.8 million in HY2023. This was mainly due to the increase in revenue from the OEM segment, F&B segment and cleanroom and laboratories segment by RM0.7 million, RM7.6 million and RM1.4 million respectively.

The increase in revenue were mainly because of higher demand from F&B customers due to softening of COVID-19 operating procedure by government whereas the increase in OEM segment was due to higher demand from semi-conductor industry. Further the increase in cleanroom and laboratories segment were due to the projects postponed in FY2022 and was delivered in first quarter of FY2023.

***Cost of sales***

Cost of sales increased by approximately RM6.5 million or 27.7% from approximately RM23.4 million in HY2022 to approximately RM29.9 million in HY2023 in line with the increase in revenue.

***Other gains and losses***

Other gains and losses decreased by approximately RM1.7 million from approximately RM2.0 million in HY2022 to approximately RM0.3 million in HY2023. The higher gains in HY2022 was mainly due to the gain on disposal of a subsidiary company, Marc16 Equipment Manufacturing Sdn Bhd ("Marc16") of approximately RM1.8 million.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

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***Selling and distribution expenses***

Selling and distribution expenses increased by approximately RM0.4 million or 26.3% from approximately RM1.6 million in HY2022 to approximately RM2.0 million in HY2023. This was mainly due to increase in travelling cost, commission expenses and staff salaries of approximately RM0.2 million, RM0.1 million and RM0.1 million respectively.

***Administrative expenses***

Administrative expenses decreased by approximately RM0.6 million or 8.7% from approximately RM6.5 million in HY2022 to approximately RM5.9 million in HY2023. This was mainly due to the disposal of a subsidiary, Marc16 in prior year, which carried an administrative expenses of approximately RM0.5 million in HY2022.

***Share of profit of associated companies***

The Group's share of profit from its associated companies decreased by approximately RM0.7 million from approximately RM1.3 million in HY2022 compared to RM0.6 million in HY2023. The decrease was mainly due to the weaker financial performance of the associated company, Cosmos Technology International Berhad in HY2023.

**Commentary on Financial Position**

***Other current assets***

Other current assets increased by approximately RM2.2 million from approximately RM5.0 million as at 31 March 2022 to RM7.2 million as at 30 September 2022. This was mainly due to increase in deposit paid for purchase machineries of approximately RM0.2 million and higher prepayment paid to supplier of approximately RM2.0 million to purchase goods due to increase in demand for the second half of the financial year ending 31 March 2023.

***Property, plant and equipment***

Property, plant and equipment decreased by approximately RM2.4 million from approximately RM42.0 million as at 31 March 2022 to RM39.6 million as at 30 September 2022. This was mainly due to the purchase of plant and machineries of approximately RM0.5 million offset by depreciation and disposal of machineries amounting to approximately RM2.0 million and RM0.9 million respectively.

***Investments in associated companies***

The investment in associated companies increased by approximately RM0.6 million from approximately RM9.9 million as at 31 March 2022 to RM10.5 million as at 30 September 2022 due to the share of profit in HY2023 of approximately RM0.6 million.

***Inventories***

Inventories increased by approximately RM1.1 million from approximately RM9.7 million as at 31 March 2022 to approximately RM10.8 million as at 30 September 2022 mainly due to demand increase from F&B customers.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

***Trade and other payables***

	<b>Group RM'000</b>	
	<b>As at 30/9/22 (Unaudited)</b>	<b>As at 31/3/22 (Audited)</b>
Trade payables	8,348	11,397
Other payables	6,137	5,231
	<b>14,485</b>	<b>16,628</b>

Trade payables decreased by approximately RM3.0 million from approximately RM11.4 million as at 31 March 2022 to approximately RM8.4 million as at 30 September 2022. This is mainly due to faster payment made to supplier to obtain better and competitive price.

Other payables increase by approximately RM0.9 million from approximately RM5.2 million as at 31 March 2022 to approximately RM6.1 million as at 30 September 2022 mainly due to more deposits received from customers, slower payment to non-trade services and higher accruals for goods purchased but yet to receive invoice from supplier of approximately RM0.4 million, RM0.3 million and RM0.2 million respectively.

***Borrowings***

	<b>Group RM'000</b>	
	<b>As at 30/9/22 (Unaudited)</b>	<b>As at 31/3/22 (Audited)</b>
Bills payables	21,323	21,457
Bank loans	27,396	28,260
Bank overdrafts	10,780	11,073
Total borrowings	<b>59,499</b>	<b>60,790</b>

Total borrowings decreased by approximately RM1.3 million from approximately RM60.8 million as at 31 March 2022 to approximately RM59.5 million as at 30 September 2022. This was mainly due to decrease in bank loans, bank overdrafts and bills payable of approximately RM0.9 million, RM0.3 million and RM0.1 million respectively.

***Lease liabilities***

Lease liabilities decreased by approximately RM1.3 million from approximately RM8.4 million as at 31 March 2022 to approximately RM7.1 million as at 30 September 2022 due to the repayment of lease liabilities of approximately RM1.9 million netted off against addition of lease liabilities of approximately RM0.6 million in HY2023 for the purchase of motor vehicles and computer software.

**Commentary on Cash Flow**

The Group recorded net cash used in operating activities of approximately RM1.6 million for HY2023. This was derived from operating profit before working capital changes of approximately RM4.7 million, adjusted net working capital outflow of approximately RM5.3 million, net interest paid of approximately RM0.8 million and net income tax paid of approximately RM0.2 million.

Net cash provided by investing activities amounted to approximately RM0.9 million mainly due to proceeds received from disposal of machineries offset against purchase of plant and equipment.

Net cash used in financing activities amounted to approximately RM3.7 million mainly due to net repayment of term loan, lease liabilities and interest paid.



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

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

**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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

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**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 HY2023 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 discloseable interested person transaction for the financial period ended 30 September 2022.

**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 of the Group**

There is no changes in the composition of the Group since FY2022 up to date except as below.

The associated corporation, Cosmos Technology International Berhad (“COSMOS”) has been listed on ACE Market of Bursa Malaysia at 6 October 2022 with initial public offering (“IPO”) of 64,125,300 new ordinary shares for the entire enlarged total number of 256,501,300 shares. The shareholding of the Group in the COSMOS has been diluted from 36% to 27% after IPO.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

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**10. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual Section B: Rules of Catalist**

On behalf of the Board of Directors of the Company, we hereby confirm that to the best knowledge of the Directors of the Company nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial statements for the HY2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Chan Kee Sieng  
Executive Chairman

Chan Kit Moi  
Executive Director

11 November 2022

This announcement has been prepared by MSM International Limited (the "Company") and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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