

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

A. Condensed Interim Consolidated Statement of Profit and Loss and Other Comprehensive Income for HY2025 and HY2024

	Note	Group		
		RM'000		%
		HY2025 (Unaudited)	HY2024 (Unaudited)	Increase/ (Decrease)
Revenue		39,557	44,022	-10.1%
Cost of sales		(28,988)	(32,700)	-11.4%
Gross profit		10,569	11,322	-6.7%
Other income				
- Interest		17	18	-5.6%
- Others		538	505	6.5%
Other gains and losses				
- Reversal of loss allowance on financial assets, net		132	137	-3.6%
- Others		108	146	-26.0%
Expenses				
- Selling and distribution		(1,914)	(1,803)	6.2%
- Administrative		(6,749)	(6,492)	4.0%
- Finance		(1,832)	(1,777)	3.1%
		869	2,056	-57.7%
Share of (loss)/profit of associated companies		(203)	412	NM
Profit before income tax	6	666	2,468	-73.0%
Income tax expense	7	(174)	(428)	-59.3%
Net profit for the financial period		492	2,040	-75.9%
Other comprehensive income/(loss):				
Exchange (loss)/gain arising from translation of foreign operations		(7)	18	NM
Other comprehensive (loss)/ income for the financial period, net of tax		(7)	18	NM
Total comprehensive income		485	2,058	-76.4%
Net profit/(loss) attributable to:				
Equity holders of the Company		491	2,081	-76.4%
Non-controlling interests		1	(41)	NM
		492	2,040	-75.9%

NM: Not meaningful

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

		Group		
		RM'000		%
	Note	HY2025 (Unaudited)	HY2024 (Unaudited)	Increase/ (Decrease)
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company		484	2,099	-76.9%
Non-controlling interests		1	(41)	NM
		485	2,058	-76.4%
Earnings Per Share (Malaysian sen)				
- Basis	9	0.47	1.97	
- Diluted	9	0.47	1.97	

NM: Not meaningful

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		As at 30/9/24 (Unaudited)	As at 31/3/24 (Audited)	As at 30/9/24 (Unaudited)	As at 31/3/24 (Audited)
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Current assets					
Cash and bank balances		6,206	7,416	91	67
Trade and other receivables		25,865	23,165	10,814	12,768
Inventories		10,375	9,315	-	-
Other current assets		8,312	7,973	-	-
Income tax recoverable		1,092	1,136	-	-
		51,850	49,005	10,905	12,835
Non-current assets					
Property, plant and equipment	11	37,734	38,776	-	-
Investment properties	12	5,512	5,541	-	-
Investments in subsidiary corporations		-	-	19,654	19,654
Investments in associated companies		14,226	14,429	5,056	5,056
		57,472	58,746	24,710	24,710
Total assets		109,322	107,751	35,615	37,545
LIABILITIES					
Current liabilities					
Trade and other payables		14,588	14,603	6,083	5,803
Borrowings	13	34,891	31,229	-	-
Lease liabilities	14	2,153	2,404	-	-
		51,632	48,236	6,083	5,803
Non-current liabilities					
Borrowings	13	19,709	20,971	-	-
Lease liabilities	14	4,243	5,291	-	-
Deferred income tax liabilities		143	143	-	-
		24,095	26,405	-	-
Total liabilities		75,727	74,641	6,083	5,803
NET ASSETS		33,595	33,110	29,532	31,742
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	15	30,158	30,158	30,158	30,158
Currency translation reserve		(139)	(132)	-	-
Retained earnings		2,576	2,085	(626)	1,584
		32,595	32,111	29,532	31,742
Non-controlling interests		1,000	999	-	-
Total equity		33,595	33,110	29,532	31,742

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

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
Balance as at 1 April 2024	30,158	(132)	2,085	32,111	999	33,110
Net profit for the financial period	-	-	491	491	1	492
Other comprehensive loss for the financial period	-	(7)	-	(7)	-	(7)
Balance as at 30 September 2024	30,158	(139)	2,576	32,595	1,000	33,595
Balance as at 1 April 2023	30,158	(122)	1,708	31,744	975	32,719
Net profit/(loss) for the financial period	-	-	2,081	2,081	(41)	2,040
Other comprehensive income for the financial period	-	18	-	18	-	18
Balance as at 30 September 2023	30,158	(104)	3,789	33,843	934	34,777

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 2024	30,158	-	1,584	31,742	-	31,742
Total comprehensive loss for the financial period	-	-	(2,210)	(2,210)	-	(2,210)
Balance as at 30 September 2024	30,158	-	(626)	29,532	-	29,532
Balance as at 1 April 2023	30,158	-	3,025	33,183	-	33,183
Total comprehensive loss for the financial period	-	-	(494)	(494)	-	(494)
Balance as at 30 September 2023	30,158	-	2,531	32,689	-	32,689

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 2024

D. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	RM'000	
	HY2025 (Unaudited)	HY2024 (Unaudited)
Cash flows from operating activities		
Net profit	492	2,040
Adjustments for:		
- Income tax expense	174	428
- Depreciation of property, plant and equipment	1,463	1,653
- Depreciation of investment properties	29	30
- Depreciation of right-of-use assets	60	149
- Gain on disposal of property, plant and equipment	-	(127)
- Gain on disposal of a subsidiary corporation	(121)	-
- Share of losses/(profit) of associated companies	203	(412)
- Interest income	(17)	(18)
- Interest expense	1,832	1,777
- Unrealised currency translation (gain)/loss	(7)	18
	4,108	5,538
Change in working capital		
- Trade and other receivables	(2,360)	(5,879)
- Inventories	(1,445)	(1,943)
- Other current assets	(342)	(3,330)
- Trade and other payables	121	456
- Bills payable	2,886	3,101
Cash provided by/(used in) operations	2,968	(2,057)
Interest paid	(947)	(881)
Interest received	17	18
Income tax paid	(130)	(18)
Net cash provided by/(used in) operating activities	1,908	(2,938)
Cash flow from investing activities		
Additions to property, plant and equipment	(481)	(60)
Proceeds from disposals of property, plant and equipment	-	857
Disposal of a subsidiary corporation, net of cash	33	-
Net cash (used in)/provided by investing activities	(448)	797

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Group	
	RM'000	
	HY2025 (Unaudited)	HY2024 (Unaudited)
Cash flows from financing activities		
Short-term bank deposits pledged	(17)	(18)
Repayment of bank borrowings	(1,289)	(1,242)
Repayment of lease liabilities	(1,299)	(2,097)
Interest paid	(885)	(896)
Net cash used in financing activities	(3,490)	(4,253)
Net decrease in cash and cash equivalents	(2,030)	(6,394)
Cash and cash equivalents at beginning of financial period	(4,263)	(308)
Cash and cash equivalents at end of financial period	(6,293)	(6,702)

Note:

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

	Group	
	RM'000	
	HY2025 (Unaudited)	HY2024 (Unaudited)
Cash and bank balances	6,206	5,518
Less: Short-term bank deposits pledged	(1,183)	(1,149)
Less: Bank overdraft	(11,316)	(11,071)
Cash and cash equivalents at end of financial period per Statement of Cash Flows	(6,293)	(6,702)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

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:

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 ⁽¹⁾	Principal activities Sale and service of metal parts, kitchen equipment
MSM R Kitchen Sdn. Bhd.	Trading and servicing of metal parts and kitchen equipment

Note:

- 1) On 16 August 2024, MSM Equipment Manufacturer Sdn. Bhd. has entered into a Share Sale Agreement to dispose 100% of its shareholdings in PT Mulia Sinergi Metalindo for a cash consideration of RM600,000. The transaction is completed on 30 August 2024.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

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

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

2. Basis of preparation

These unaudited condensed interim financial statements for the six months ended 30 September 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") 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 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with 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 2024, 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 2024.

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 2024

4. Segment and revenue information

4.1 Reportable segments

For the 6 months ended 30 September 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	16,846	7,110	15,601	39,557
Adjusted EBITDA	1,849	307	2,080	4,236
Depreciation of property, plant and equipment and right-of-use assets	1,071	63	389	1,523
Finance expense	1,323	60	449	1,832

For the 6 months ended 30 September 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	16,410	9,586	18,026	44,022
Adjusted EBITDA	2,470	1,741	1,848	6,059
Depreciation of property, plant and equipment and right-of-use assets	1,201	34	567	1,802
Finance expense	1,250	72	455	1,777

4.2 Geographical information

Breakdown of Group Revenue by Geographical Regions

	HY2025		HY2024	
	RM'000	%	RM'000	%
Malaysia	38,636	97.6	41,814	95.0
Singapore	554	1.4	1,037	2.4
Indonesia	83	0.2	888	2.0
Vietnam	66	0.2	129	0.3
Others	218	0.6	154	0.3
Total	39,557	100.0	44,022	100.0

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

5. Financial assets and financial liabilities

	Group RM'000		Company RM'000	
	As at 30/9/24 (Unaudited)	As at 31/3/24 (Audited)	As at 30/9/24 (Unaudited)	As at 31/3/24 (Audited)
Financial assets				
Cash and bank balances	6,206	7,416	91	67
Trade and other receivables	25,865	23,165	10,814	12,768
Other current assets	2,339	2,032	-	-
	<u>34,410</u>	<u>32,613</u>	<u>10,905</u>	<u>12,835</u>
Financial liabilities				
Trade and other payables	13,856	14,123	6,083	5,803
Borrowings	54,600	52,200	-	-
Lease liabilities	6,396	7,695	-	-
	<u>74,852</u>	<u>74,018</u>	<u>6,083</u>	<u>5,803</u>

6. Profit before tax

6.1 Significant items

	HY2025 RM'000	HY2024 RM'000
Depreciation of property, plant and equipment	1,463	1,653
Depreciation of investment properties	29	30
Depreciation of right-of-use asset	60	149
Director remunerations	736	730
Interest expenses	1,832	1,777
Interest income	(17)	(18)
Reversal of loss allowance on financial assets, net	(132)	(137)
Gain on disposal of property, plant and equipment	-	(127)
Gain on disposal of a subsidiary corporation	(121)	-
Realised foreign exchange loss/(gain)	13	(19)
Staff costs	6,249	7,541

6.2 Related party transactions

Key management personnel compensation is as follows:

	HY2025 RM'000	HY2024 RM'000
Salaries, bonuses and allowances	884	877
Directors' fees	108	116
Employer's contribution to defined contribution plans	86	83
Other short-term benefits	353	306
	<u>1,431</u>	<u>1,382</u>

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

7. Taxation

Included in income tax expenses were:

	HY2025	HY2024
	RM'000	RM'000
Income tax		
- current year	189	350
- prior years	(15)	78
	<u>174</u>	<u>428</u>

8. Dividend

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

9. Earnings per share

	Group	
	HY2025	HY2024
Earnings attributable to equity holders of the Company, after deducting any provision for preference dividends (RM'000)	491	2,081
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)	0.47	1.97
Diluted earnings attributable to equity holders of the Company (Malaysian sen)	0.47	1.97

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

	Group		Company	
	As at	As at	As at	As at
	30/9/2024	31/3/2024	30/9/2024	31/3/2024
Net asset value (NAV) (RM'000)	33,595	33,110	29,532	31,742
Number of ordinary shares	105,391,186	105,391,186	105,391,186	105,391,186
NAV per ordinary share (Malaysian sen)	<u>31.88</u>	<u>31.42</u>	<u>28.02</u>	<u>30.12</u>

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

11. Property, plant and equipment

During the six months ended 30 September 2024, the Group has acquired assets amounting to RM481,000 (30 September 2023: RM261,000) and disposed assets with net book value amounting to RM Nil (30 September 2023: RM730,000).

12. Investment properties

The Group's investment properties are recognised at cost method.

MSM Metal Industries Sdn. Bhd., a wholly-owned subsidiary of MSM International Limited 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.

The finance department of the Group performs the valuation of investment properties required for financial reporting purposes, including Level 3 fair values based on available market transacted data. As at 30 September 2024, management has conducted an assessment on the valuation of the investment properties and is of the view that the fair value of investment properties have not materially changed from 31 March 2024.

13. Borrowings

Amount repayable in one year or less, or on demand

	Group	
	As at 30/9/24 (Unaudited) RM'000	As at 31/3/24 (Audited) RM'000
Bank overdrafts	11,316	10,513
Bank borrowings	2,705	2,732
Bills payables	20,870	17,984
	34,891	31,229

Amount repayable after one year

	Group	
	As at 30/9/24 (Unaudited) RM'000	As at 31/3/24 (Audited) RM'000
Bank borrowings		
- due within two to five years	7,968	8,699
- due after five years	11,741	12,272
	19,709	20,971

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 and investments properties;
- (ii) Charged over short-term bank deposits;
- (iii) Corporate guarantee; and
- (iv) Joint and personal guarantee of certain directors and controlling shareholders.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

As at 31 March 2024, 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 RM13.0 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.

14. Lease liabilities

	Group	
	As at 30/9/24 (Unaudited) RM'000	As at 31/3/24 (Audited) RM'000
Current	2,153	2,404
Non-current	4,243	5,291
	6,396	7,695

Lease liabilities as at 30 September 2024 of RM6,306,000 (31 March 2024: RM7,545,000) of the Group are effectively secured over the leased plant and machinery, motor vehicles and computer equipment, as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the lease liabilities.

15. Share capital

	Group		Company	
	As at 30/9/24	As at 31/3/24	As at 30/9/24	As at 31/3/24
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 2024 to 30 September 2024.

The Company did not have any outstanding convertibles, subsidiary holdings or treasury shares as at 30 September 2024, 31 March 2024 and 30 September 2023.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2024, 31 March 2024 and 30 September 2023.

16. Events subsequent to period end

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 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 30 September 2024 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

Segments	HY2025 RM'000	HY2024 RM'000
Original Equipment Manufacturer ("OEM")	16,846	16,410
Kitchen appliances, equipment and related services ("F&B")	15,601	18,026
Cleanroom and laboratories	7,110	9,586
Total	39,557	44,022

Revenue decreased by approximately RM4.5 million or 10.1% from approximately RM44.0 million in HY2024 to RM39.6 million in HY2025. This was mainly due to the decrease in revenue by F&B segment and cleanroom and laboratories segment of approximately RM2.4 million and RM2.5 million respectively, slightly offset by the increase in revenue from the OEM segment by RM0.4 million.

The decrease in revenue of F&B segment and cleanroom and laboratories segment is mainly due to postponement of a few projects to third quarter of the financial year.

Cost of sales and gross profit

Cost of sales decreased by approximately RM3.7 million or 11.4% from approximately RM32.7 million in HY2024 to approximately RM29.0 million in HY2025 in line with the decrease in revenue. Gross profit margin in HY2025 has remain relatively consistent with HY2024.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

Selling and distribution expenses

Selling and distribution expenses increased by approximately RM0.1 million or 6.2% from approximately RM1.8 million in HY2024 to approximately RM1.9 million in HY2025. This was mainly due to increase in travelling expenses of approximately RM0.1 million.

Administrative expenses

Administrative expenses increased by approximately RM0.2 million or 4.0% from approximately RM6.5 million in HY2024 to approximately RM6.7 million in HY2025 mainly due to the increase in staff salaries of approximately RM 0.2 million.

Share of loss/profit of associated companies

The Group's share of loss from its associated companies was approximately RM0.2 million in HY2025 as compared to a share of profit of approximately RM0.4 million in HY2024. The loss was mainly due to the weaker financial performance of the associated company, Cosmos Technology International Berhad in HY2025.

Income tax expenses

Income tax expenses stood at RM0.2 million in HY2025, reflecting a decrease of approximately RM0.2 million in HY2025. The lower income tax in HY2025 mainly due to weaker financial results in HY2025.

Commentary on Financial Position

Trade and other receivables

	Group RM'000	
	As at 30/9/24 (Unaudited)	As at 31/3/24 (Audited)
Trade receivables - net	24,544	22,239
Other receivables - net	1,321	926
	25,865	23,165

Trade receivables increased by approximately RM2.3 million from approximately RM22.2 million as at 31 March 2024 to approximately RM24.5 million as at 30 September 2024 mainly due to F&B customers which granted with credit terms has contributed higher sales in second quarter of HY2025. The revenue generated in second quarter of HY2025 are not due yet as at 30 September 2024.

Inventories

Inventories increased slightly by approximately RM1.1 million from approximately RM9.3 million as at 31 March 2024 to approximately RM10.4 million as at 30 September 2024 mainly to reserve inventories to be deliver to customers in third quarter of the financial year.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

Other current assets

	Group RM'000	
	As at 30/9/24 (Unaudited)	As at 31/3/24 (Audited)
Deposits	2,339	2,032
Prepayment	5,973	5,941
	8,312	7,973

Other current assets stood at RM8.3 million as at 30 September 2024, which is relatively consistent with RM8.0 million as at 31 March 2024.

Property, plant and equipment

Property, plant and equipment decreased by approximately RM1.0 million from approximately RM38.8 million as at 31 March 2024 to RM37.8 million as at 30 September 2024. This was mainly due to the purchase of approximately RM0.5 million offset by depreciation charges of approximately RM1.5 million.

Investments in associated companies

The investment in associated companies decreased by approximately RM0.2 million from approximately RM14.4 million as at 31 March 2024 to RM14.2 million as at 30 September 2024 due to the share of losses in HY2025 of approximately RM0.2 million.

Trade and other payables

	Group RM'000	
	As at 30/9/24 (Unaudited)	As at 31/3/24 (Audited)
Trade payables	8,624	9,276
Other payables	5,964	5,327
	14,588	14,603

Trade payables has decreased by approximately RM0.7 million from approximately RM9.3 million as at 31 March 2024 to approximately RM8.6 million as at 30 September 2024 due to faster repayment to supplier.

Other payables has increased by approximately RM0.7 million from approximately RM5.3 million as at 31 March 2024 to approximately RM6.0 million as at 30 September 2024 mainly due to higher deposits received from customer and accrued purchase of approximately RM0.3 million and RM0.5 million respectively.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

Borrowings

	Group RM'000	
	As at 30/9/24 (Unaudited)	As at 31/3/24 (Audited)
Bills payables	20,870	17,984
Bank loans	22,414	23,703
Bank overdrafts	11,316	10,513
Total borrowings	54,600	52,200

Total borrowings increased by approximately RM2.4 million from approximately RM52.2 million as at 31 March 2024 to approximately RM54.6 million as at 30 September 2024. This was mainly due to increase in bills payables and bank overdrafts of approximately RM2.9 million and RM0.8 million respectively, offset with decreased in bank loans of approximately RM1.3 million.

Lease liabilities

Lease liabilities decreased by approximately RM1.3 million from approximately RM7.7 million as at 31 March 2024 to approximately RM6.4 million as at 30 September 2024 due to repayment of approximately RM1.3 million.

Commentary on Cash Flow

The Group recorded net cash provided by operating activities of approximately RM1.9 million for HY2025. This was derived from operating profit before working capital changes of approximately RM4.1 million, adjusted net working capital outflow of approximately RM1.1 million, net interest and income tax paid of approximately RM1.1 million.

Net cash used in investing activities amounted to approximately RM0.5 million mainly due to purchase of plant and equipment of RM0.5 million offset against net of cash disposed of in a subsidiary corporation of RM0.1 million.

Net cash used in financing activities amounted to approximately RM3.4 million mainly due to net repayment of bank borrowings, lease liabilities and interest paid.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

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 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

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 HY2025 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 transaction for the financial period ended 30 September 2024.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

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

On 16 August 2024, MSM Equipment Manufacturer Sdn. Bhd. has entered into a Share Sale Agreement to dispose 100% of its shareholdings in PT Mulia Sinergi Metalindo for a cash consideration of RM600,000. The transaction is completed on 30 August 2024. Please refer to the announcements dated 16 August 2024 and 30 August 2024 for further details.

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

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 HY2025 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Chan Kee Sieng
Executive Chairman

Chan Wen Chau
Executive Director and Chief Executive Officer

6 November 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.