

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

**A. Condensed Interim Consolidated Statement of Profit and Loss and Other Comprehensive Income for HY2024 and HY2023**

	Note	Group		
		RM'000		%
		HY2024 (Unaudited)	HY2023 (Unaudited)	Increase/ (Decrease)
<b>Revenue</b>		44,022	39,755	10.7%
Cost of sales		(32,700)	(29,908)	9.3%
<b>Gross profit</b>		11,322	9,847	15.0%
<b>Other income</b>				
- Interest		18	11	63.6%
- Others		505	732	-31.0%
<b>Other gains and losses</b>				
- Reversal on financial assets		137	19	NM
- Others		146	247	-40.9%
<b>Expenses</b>				
- Selling and distribution		(1,803)	(2,007)	-10.2%
- Administrative		(6,492)	(5,893)	10.2%
- Finance		(1,777)	(1,699)	4.6%
		2,056	1,257	63.6%
Share of profit of associated companies		412	567	-27.3%
<b>Profit before income tax</b>	6	2,468	1,824	35.3%
Income tax expense	7	(428)	(45)	NM
<b>Net profit for the financial period</b>		2,040	1,779	14.7%
<b>Other comprehensive income/(loss):</b>				
Exchange gain/(loss) arising from translation of foreign operations		18	(101)	NM
<b>Other comprehensive income/(loss) for the financial period, net of tax</b>		18	(101)	NM
<b>Total comprehensive income</b>		2,058	1,678	22.6%
<b>Net profit/(loss) attributable to:</b>				
Equity holders of the Company		2,081	1,842	13.0%
Non-controlling interests		(41)	(63)	-34.9%
		2,040	1,779	14.7%

NM: Not meaningful

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

		Group		
		RM'000		%
	Note	HY2024 (Unaudited)	HY2023 (Unaudited)	Increase/ (Decrease)
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the Company		2,099	1,741	20.6%
Non-controlling interests		(41)	(63)	-34.9%
		2,058	1,678	22.6%
<b>Earnings Per Share (Malaysian sen)</b>				
- Basis	9	1.97	1.75	
- Diluted	9	1.97	1.75	

NM: Not meaningful

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

**B. Condensed Interim Statements of Financial Position**

	Note	Group		Company	
		As at 30/9/23 (Unaudited)	As at 31/3/23 (Audited)	As at 30/9/23 (Unaudited)	As at 31/3/23 (Audited)
		RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		5,518	9,234	85	409
Trade and other receivables		30,934	25,055	13,307	13,366
Inventories		11,985	10,042	-	-
Other current assets		8,513	5,183	-	-
Income tax recoverable		780	1,190	-	-
		<b>57,730</b>	<b>50,704</b>	<b>13,392</b>	<b>13,775</b>
<b>Non-current assets</b>					
Property, plant and equipment	11	40,568	42,839	-	-
Investment properties		3,474	3,504	-	-
Investments in subsidiary corporations		-	-	19,654	19,654
Investments in associated companies		14,234	13,822	5,056	5,056
		<b>58,276</b>	<b>60,165</b>	<b>24,710</b>	<b>24,710</b>
<b>Total assets</b>		<b>116,006</b>	<b>110,869</b>	<b>38,102</b>	<b>38,485</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		14,443	16,642	5,413	5,302
Borrowings	12	35,245	29,647	-	-
Lease liabilities	13	2,716	2,829	-	-
		<b>52,404</b>	<b>49,118</b>	<b>5,413</b>	<b>5,302</b>
<b>Non-current liabilities</b>					
Borrowings	12	22,499	23,578	-	-
Lease liabilities	13	6,183	5,311	-	-
Deferred income tax liabilities		143	143	-	-
		<b>28,825</b>	<b>29,032</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>81,229</b>	<b>78,150</b>	<b>5,413</b>	<b>5,302</b>
<b>NET ASSETS</b>		<b>34,777</b>	<b>32,719</b>	<b>32,689</b>	<b>33,183</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		(104)	(122)	-	-
Retained earnings		3,789	1,708	2,531	3,025
		<b>33,843</b>	<b>31,744</b>	<b>32,689</b>	<b>33,183</b>
Non-controlling interests		934	975	-	-
<b>Total equity</b>		<b>34,777</b>	<b>32,719</b>	<b>32,689</b>	<b>33,183</b>

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

**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 2023</b>	<b>30,158</b>	<b>(122)</b>	<b>1,708</b>	<b>31,744</b>	<b>975</b>	<b>32,719</b>
Net profit/(loss) for the financial period	-	-	2,081	2,081	(41)	2,040
Other comprehensive income for the financial period	-	18	-	18	-	18
<b>Balance as at 30 September 2023</b>	<b>30,158</b>	<b>(104)</b>	<b>3,789</b>	<b>33,843</b>	<b>934</b>	<b>34,777</b>
<b>Balance as at 1 April 2022</b>	<b>30,158</b>	<b>(35)</b>	<b>1,042</b>	<b>31,165</b>	<b>1,009</b>	<b>32,174</b>
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>	<b>30,158</b>	<b>(136)</b>	<b>2,884</b>	<b>32,906</b>	<b>946</b>	<b>33,852</b>

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
<b>Balance as at 1 April 2023</b>	<b>30,158</b>	<b>-</b>	<b>3,025</b>	<b>33,183</b>	<b>-</b>	<b>33,183</b>
Total comprehensive loss for the financial period	-	-	(494)	(494)	-	(494)
<b>Balance as at 30 September 2023</b>	<b>30,158</b>	<b>-</b>	<b>2,531</b>	<b>32,689</b>	<b>-</b>	<b>32,689</b>
<b>Balance as at 1 April 2022</b>	<b>30,158</b>	<b>-</b>	<b>6,998</b>	<b>37,156</b>	<b>-</b>	<b>37,156</b>
Total comprehensive income for the financial period	-	-	2,286	2,286	-	2,286
<b>Balance as at 30 September 2022</b>	<b>30,158</b>	<b>-</b>	<b>9,284</b>	<b>39,442</b>	<b>-</b>	<b>39,442</b>

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 2023**

**D. Condensed Interim Consolidated Statement of Cash Flows**

	<b>Group</b>	
	<b>RM'000</b>	
	<b>HY2024 (Unaudited)</b>	<b>HY2023 (Unaudited)</b>
<b>Cash flows from operating activities</b>		
Net profit	2,040	1,779
Adjustments for:		
- Income tax expense	428	45
- Depreciation of property, plant and equipment	1,653	1,540
- Depreciation of investment properties	30	29
- Depreciation of right-of-use assets	149	471
- Gain on disposal of property, plant and equipment	(127)	(160)
- Share of profit of associated companies	(412)	(567)
- Interest income	(18)	(11)
- Interest expense	1,777	1,699
- Unrealised currency translation loss/(gain)	18	(101)
	<b>5,538</b>	<b>4,724</b>
<b>Change in working capital</b>		
- Trade and other receivables	(5,879)	(77)
- Inventories	(1,943)	(1,135)
- Other current assets	(3,330)	(2,169)
- Trade and other payables	456	(1,892)
- Bills payable	3,101	(134)
<b>Cash used in operations</b>	<b>(2,057)</b>	<b>(683)</b>
Interest paid	(881)	(793)
Interest received	18	11
Income tax paid	(18)	(174)
<b>Net cash used in operating activities</b>	<b>(2,938)</b>	<b>(1,639)</b>
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(60)	(155)
Proceeds from disposals of property, plant and equipment	857	1,051
<b>Net cash provided by investing activities</b>	<b>797</b>	<b>896</b>

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

	Group	
	RM'000	
	HY2024 (Unaudited)	HY2023 (Unaudited)
<b>Cash flows from financing activities</b>		
Short-term bank deposits pledged	(18)	(11)
Repayment of bank borrowings	(1,242)	(864)
Repayment of lease liabilities	(2,097)	(1,928)
Interest paid	(896)	(906)
<b>Net cash used in financing activities</b>	<b>(4,253)</b>	<b>(3,709)</b>
Net decrease in cash and cash equivalents	(6,394)	(4,452)
Cash and cash equivalents at beginning of financial period	(308)	(857)
<b>Cash and cash equivalents at end of financial period</b>	<b>(6,702)</b>	<b>(5,309)</b>

**Note:**

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

	Group	
	RM'000	
	HY2024 (Unaudited)	HY2023 (Unaudited)
Cash and bank balances	5,518	6,589
Less: Short-term bank deposits pledged	(1,149)	(1,118)
Less: Bank overdraft	(11,071)	(10,780)
<b>Cash and cash equivalents at end of financial period per Statement of Cash Flows</b>	<b>(6,702)</b>	<b>(5,309)</b>

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

**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 2023**

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**2. Basis of preparation**

These unaudited condensed interim financial statements for the six months ended 30 September 2023 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 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"), except for the adoption of new and amended standards as set out in Note 2.1.

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

**2.1 New and amended standards adopted by the Group**

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

**2.2 Critical judgements, assumptions and estimation uncertainties**

The judgement made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited consolidated financial statements as at and for the financial year ended 31 March 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**3. Seasonal operations**

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



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

**4. Segment and revenue information**

**4.1 Reportable segments**

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
<b>Revenue</b>				
- Sales to external parties	16,410	9,586	18,026	44,022
<b>Adjusted EBITDA</b>	2,470	1,741	1,848	6,059
Depreciation of property, plant and equipment	1,201	34	567	1,802
Finance expense	1,250	72	455	1,777

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

**4.2 Geographical information**

Breakdown of Group Revenue by Geographical Regions

	HY2024		HY2023	
	RM'000	%	RM'000	%
Malaysia	41,814	95.0	37,006	93.1
Singapore	1,037	2.4	1,337	3.4
Indonesia	888	2.0	788	2.0
Vietnam	129	0.3	100	0.2
Others	154	0.3	524	1.3
<b>Total</b>	<b>44,022</b>	<b>100.0</b>	<b>39,755</b>	<b>100.0</b>

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

**5. Financial assets and financial liabilities**

	Group RM'000		Company RM'000	
	As at 30/9/23 (Unaudited)	As at 31/3/23 (Audited)	As at 30/9/23 (Unaudited)	As at 31/3/23 (Audited)
<b>Financial assets</b>				
Cash and bank balances	5,518	9,234	85	409
Trade and other receivables	30,895	23,895	13,307	13,366
Other current assets	2,326	2,024	-	-
	<u>38,739</u>	<u>35,153</u>	<u>13,392</u>	<u>13,775</u>
<b>Financial liabilities</b>				
Trade and other payables	13,878	15,925	5,413	5,302
Borrowings	57,744	53,225	-	-
Lease liabilities	8,899	8,140	-	-
	<u>80,521</u>	<u>77,290</u>	<u>5,413</u>	<u>5,302</u>

**6. Profit before tax**

**6.1 Significant items**

	<b>HY2024 RM'000</b>	<b>HY2023 RM'000</b>
Depreciation of property, plant and equipment	1,653	1,540
Depreciation of investment properties	30	29
Depreciation of right-of-use asset	149	471
Director remunerations	730	670
Interest expenses	1,777	1,699
Interest income	(18)	(11)
Reversal of allowance for doubtful debts	(137)	-
Gain on disposal of property, plant and equipment	(127)	(160)
Realised foreign exchange gain	(19)	-
Staff costs	7,541	6,070

**6.2 Related party transactions**

Key management personnel compensation is as follows:

	<b>HY2024 RM'000</b>	<b>HY2023 RM'000</b>
Salaries, bonuses and allowances	877	859
Directors' fees	116	98
Employer's contribution to defined contribution plans	83	80
Other short-term benefits	306	289
	<u>1,382</u>	<u>1,326</u>

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

**7. Taxation**

Included in income tax expense were:

	<b>HY2024</b>	<b>HY2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax		
- current year	350	45
- prior years	78	-
	<u>428</u>	<u>45</u>

**8. Dividend**

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

**9. Earnings per share**

	<b>Group</b>	
	<b>HY2024</b>	<b>HY2023</b>
Earnings attributable to equity holders of the Company, after deducting any provision for preference dividends (RM'000)	2,081	1,842
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)	1.97	1.75
Diluted earnings attributable to equity holders of the Company (Malaysian sen)	1.97	1.75

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>30/9/2023</b>	<b>31/3/2023</b>	<b>30/9/2023</b>	<b>31/3/2023</b>
Net asset Value (RM'000)	34,777	32,719	32,689	33,183
Number of ordinary shares	105,391,186	105,391,186	105,391,186	105,391,186
NAV per ordinary share (Malaysian sen)	<u>33.00</u>	<u>31.05</u>	<u>31.02</u>	<u>31.49</u>

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

**11. Property, plant and equipment**

During the six months ended 30 September 2023, the Group has acquired assets amounting to RM261,000 (30 September 2022: RM495,000) and disposed of assets with net book value amounting to RM730,000 (30 September 2022: RM891,000).

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.

**12. Borrowings**

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

	Group	
	As at 30/9/23 (Unaudited) RM'000	As at 31/3/23 (Audited) RM'000
Bank overdrafts	11,071	8,411
Bank borrowings	2,482	2,645
Bills payables	21,692	18,591
	35,245	29,647

**Amount repayable after one year**

	Group	
	As at 30/9/23 (Unaudited) RM'000	As at 31/3/23 (Audited) RM'000
Bank borrowings		
- due within two to five years	9,706	10,212
- due after five years	12,793	13,366
	22,499	23,578

**Details of collaterals**

All of the above borrowings are fully secured on:

- (i) Legal mortgages over the Group's freehold and leasehold land and buildings 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.

As at 31 March 2023, 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 2023. Meanwhile, the bank has reviewed the management accounts and agreed to continue extending the banking facilities of the subsidiary corporation until the next review.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

**13. Lease liabilities**

	Group	
	As at 30/9/23 (Unaudited) RM'000	As at 31/3/23 (Audited) RM'000
	<u>RM'000</u>	<u>RM'000</u>
Current	2,716	2,829
Non-current	6,183	5,311
	<u>8,899</u>	<u>8,140</u>

Lease liabilities as at 30 September 2023 of RM8,760,000 (31 March 2023: RM7,850,000) 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.

**14. Share capital**

	Group		Company	
	As at 30/9/23	As at 31/3/23	As at 30/9/23	As at 31/3/23
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 2023 to 30 September 2023.

The Company did not have any outstanding convertibles, subsidiary holdings or treasury shares as at 30 September 2023, 31 March 2023 and 30 September 2022.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2023, 31 March 2023 and 30 September 2022.

**15. 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  
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**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 2023 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>HY2024 RM'000</b>	<b>HY2023 RM'000</b>
Original Equipment Manufacturer ("OEM")	16,410	16,366
Kitchen appliances, equipment and related services ("F&B")	18,026	18,436
Cleanroom and laboratories	9,586	4,953
<b>Total</b>	<b>44,022</b>	<b>39,755</b>

Revenue increased by approximately RM4.2 million or 10.7% from approximately RM39.8 million in HY2023 to RM44.0 million in HY2024. This was mainly due to the increase in revenue from the cleanroom and laboratories segment by RM4.6 million, offset with the decrease in revenue by F&B segment of approximately RM0.4 million.

The better performance of cleanroom and laboratories segment was due to resumption of few projects which were put on hold or postponed in prior year.

***Cost of sales and gross profit***

Cost of sales increased by approximately RM2.8 million or 9.3% from approximately RM29.9 million in HY2023 to approximately RM32.7 million in HY2024 in line with the increase in revenue. Gross profit margin in HY 2024 has remain consistent with HY2023.

***Other income***

Other income decreased by approximately RM0.2 million from approximately RM0.7 million in HY2023 to approximately RM0.5 million in HY2024 This was mainly due to decreased in insurance claimed of approximately RM0.2 million.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

***Selling and distribution expenses***

Selling and distribution expenses decreased by approximately RM0.2 million or 10.2% from approximately RM2.0 million in HY2023 to approximately RM1.8 million in HY2024. This was mainly due to decrease in commission expenses and travelling expenses of approximately RM0.1 million and RM0.1 million respectively.

***Administrative expenses***

Administrative expenses increased by approximately RM0.6 million or 10.2% from approximately RM5.9 million in HY2023 to approximately RM6.5 million in HY2024. This was mainly due to the increase in rental expenses and staff salaries of approximately RM0.4 million and RM 0.2 million respectively.

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

The Group's share of profit from its associated companies decreased by approximately RM0.2 million from approximately RM0.6 million in HY2023 compared to RM0.4 million in HY2024. The decrease was mainly due to the weaker financial performance of the associated company, Cosmos Technology International Berhad in HY2024.

***Income tax expenses***

Income tax expenses stood at RM0.4 million in HY2024, reflecting an increased of approximately RM0.4 million in HY2024. The lower income tax in HY2023 mainly due to utilisation of unrecognised tax losses.

**Commentary on Financial Position**

***Trade and other receivables***

	Group RM'000	
	As at 30/9/23 (Unaudited)	As at 31/3/23 (Audited)
Trade receivables - net	27,154	20,368
Other receivables	3,741	3,527
Contract assets	39	1,160
	30,934	25,055

Trade receivables increased by approximately RM6.8 million from approximately RM20.4 million as at 31 March 2023 to approximately RM27.2 million as at 30 September 2023, which in line with increase in revenue.

***Inventories***

Inventories increased by approximately RM1.9 million from approximately RM10.0 million as at 31 March 2023 to approximately RM11.9 million as at 30 September 2023 mainly to cater for the increase in demand from customers.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

***Other current assets***

Other current assets increased by approximately RM3.3 million from approximately RM5.2 million as at 31 March 2023 to RM8.5 million as at 30 September 2023. This was mainly due to increase in deposit paid for purchase properties of approximately RM0.3 million and higher prepayment paid to supplier of approximately RM3.0 million to purchase goods to reserve for customer's demand in third quarter of the financial year ending 31 March 2024.

***Property, plant and equipment***

Property, plant and equipment decreased by approximately RM2.3 million from approximately RM42.8 million as at 31 March 2023 to RM40.5 million as at 30 September 2023. This was mainly due to the purchase of approximately RM0.2 million offset by depreciation charges of approximately RM1.8 million and disposal of plant and equipment which carried net book value of approximately RM0.7 million.

***Investments in associated companies***

The investment in associated companies increased by approximately RM0.4 million from approximately RM13.8 million as at 31 March 2023 to RM14.2 million as at 30 September 2023 due to the share of profit in HY2024 of approximately RM0.4 million.

***Trade and other payables***

	Group RM'000	
	As at 30/9/23 (Unaudited)	As at 31/3/23 (Audited)
Trade payables	8,731	11,412
Other payables	5,712	5,230
	14,443	16,642

Trade payables decreased by approximately RM2.7 million from approximately RM11.4 million as at 31 March 2023 to approximately RM8.7 million as at 30 September 2023. This is mainly due to faster payment made to supplier.

***Borrowings***

	Group RM'000	
	As at 30/9/23 (Unaudited)	As at 31/3/23 (Audited)
Bills payables	21,692	18,591
Bank loans	24,981	26,223
Bank overdrafts	11,071	8,411
Total borrowings	57,744	53,225

Total borrowings increased by approximately RM4.5 million from approximately RM53.2 million as at 31 March 2023 to approximately RM57.7 million as at 30 September 2023. This was mainly due to increase in bills payables and bank overdrafts of approximately RM3.1 million and RM2.6 million respectively, offset with decreased in bank loans of approximately RM1.2 million.



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS  
ENDED 30 SEPTEMBER 2023**

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***Lease liabilities***

Lease liabilities increased by approximately RM0.8 million from approximately RM8.1 million as at 31 March 2023 to approximately RM8.9 million as at 30 September 2023 due to repayment of approximately RM2.1 million netted off against addition of lease liabilities of approximately RM2.9 million in HY2024 for purchase of motor vehicles and machineries.

**Commentary on Cash Flow**

The Group recorded net cash used in operating activities of approximately RM2.9 million for HY2024. This was derived from operating profit before working capital changes of approximately RM5.5 million, adjusted net working capital outflow of approximately RM7.6 million, net interest paid of approximately RM0.8 million.

Net cash provided by investing activities amounted to approximately RM0.8 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 RM4.3 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 2023**

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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

**6. 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 HY2024 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 2023.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

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**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 FY2023 up to date.

**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 HY2024 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

9 November 2023

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.