



CARZO HOLDINGS BERHAD

Registration No: 202001026908 (1383228-K)
(Incorporated in Malaysia under the Companies Act 2016)

**FIRST HALF YEARLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

**CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA
SECURITIES BERHAD (“BURSA SECURITIES”).**

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY CARZO HOLDINGS BERHAD (“CARZO” OR THE “COMPANY”). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

This Half Yearly Report is dated 29 August 2022



CARZO HOLDINGS BERHAD
 Registration No: 202001026908 (1383228-K)
 (Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022⁽¹⁾

	Unaudited as at 30.6.2022 RM	Audited as at 31.12.2021 RM
ASSETS		
Non-Current Assets		
Plant and equipment	2,191,911	1,814,483
Right-of-use assets	938,675	340,284
	<u>3,130,586</u>	<u>2,154,767</u>
Current Assets		
Inventories	3,717,882	1,486,143
Trade and other receivables	18,252,692	22,707,360
Fixed deposits with licensed banks	1,272,810	3,528,669
Tax recoverable	565,853	117,796
Cash and bank balances	3,174,428	358,421
	<u>26,983,665</u>	<u>28,198,389</u>
Total Assets	<u>30,114,251</u>	<u>30,353,156</u>
EQUITY		
Share capital	9,476,397	9,476,397
Merger reserve	(1,857,406)	(1,857,406)
Retained earnings	878,619	1,737,680
Total Equity	<u>8,497,610</u>	<u>9,356,671</u>
LIABILITIES		
Non-Current Liabilities		
Borrowings	1,281,817	1,515,902
Lease liabilities	426,566	531,805
	<u>1,708,383</u>	<u>2,047,707</u>
Current Liabilities		
Trade and other payables	13,698,413	14,169,621
Borrowings	5,073,488	4,398,112
Lease liabilities	1,136,357	381,045
Provision for taxation	-	-
	<u>19,908,258</u>	<u>18,948,778</u>
Total Liabilities	<u>21,616,641</u>	<u>20,996,485</u>
Total Equity and Liabilities	<u>30,114,251</u>	<u>30,353,156</u>
Net assets per share	<u>0.10</u>	<u>0.11</u>



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022⁽¹⁾ (CONT'D)

Note:

- (1) The basis of preparation of the unaudited condensed consolidated statement of financial position is disclosed in Note A1 and should be read in conjunction with the audited financial statements of Carzo and its subsidiaries (“**Group**”) for the financial year ended (“**FYE**”) 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 AND OTHER COMPREHENSIVE INCOME FOR THE FIRST HALF-YEAR ENDED
 30 JUNE 2022⁽¹⁾**

	Individual 6-month ended		Cumulative 6-month ended	
	Unaudited		Unaudited	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM	RM	RM	RM
Revenue	31,715,269	42,856,141	31,715,269	42,856,141
Cost of sales	(27,752,781)	(37,960,002)	(27,752,781)	(37,960,002)
Gross profit	3,962,488	4,896,139	3,962,488	4,896,139
Other operating income	57,826	461,080	57,826	461,080
Operating and administrative expenses	(4,546,571)	(3,736,634)	(4,546,571)	(3,736,634)
(Loss)/ Profit from operations	(526,257)	1,620,585	(526,257)	1,620,585
Finance costs	(189,309)	(183,316)	(189,309)	(183,316)
(Loss)/ Profit before taxation	(715,566)	1,437,269	(715,566)	1,437,269
Taxation	(143,495)	(479,245)	(143,495)	(479,245)
(Loss)/ Profit after taxation	(859,061)	958,024	(859,061)	958,024
(Loss)/ Profit after taxation attributable to:-				
Owners of the Company:	(859,061)	958,024	(859,061)	958,024
Total comprehensive (loss)/ income attributable to:-				
Owners of the Company:	(859,061)	958,024	(859,061)	958,024
(Loss)/Earnings per Share (sen)				
- Basic	(0.97)	1.19	(0.97)	1.19



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE FIRST HALF-YEAR ENDED
30 JUNE 2022 ⁽¹⁾ (CONT'D)**

Note:

- (1) The basis of preparation of the unaudited condensed consolidated statement of profit or loss and other comprehensive income is disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2022 ⁽¹⁾

	Share capital RM	Merger reserve RM	Retained earnings RM	Total RM
At 1 January 2021	3,177,730	(1,857,406)	1,413,129	2,733,453
Issuance of shares	6,516,444	-	-	6,516,444
Profit for the financial period	-	-	958,024	958,024
At 30 June 2021	<u>9,694,174</u>	<u>(1,857,406)</u>	<u>2,371,153</u>	<u>10,207,921</u>
At 1 January 2022	9,476,397	(1,857,406)	1,737,680	9,356,671
Loss for the financial period	-	-	(859,061)	(859,061)
At 30 June 2022	<u>9,476,397</u>	<u>(1,857,406)</u>	<u>878,619</u>	<u>8,497,610</u>

Note:

- (1) The basis of preparation of the unaudited condensed consolidated statement of changes in equity is disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED (“FPE”) 30 JUNE 2022 ⁽¹⁾

	Unaudited	
	6-month ended	
	30.6.2022	30.6.2021
	RM	RM
Cash Flows From Operating Activities		
(Loss)/Profit before taxation	(715,566)	1,437,269
Adjustments for:		
Depreciation of plant and equipment	274,957	266,323
Depreciation of right-of-use assets	141,807	104,362
Deposit written off	4,900	-
Impairment of plant and equipment	-	125,664
Impairment loss on trade receivables	259,534	-
Interest income	(8,444)	(8,794)
Interest expense	189,309	183,316
Reversal of allowance for impairment loss	(9,331)	(97,531)
Unrealised foreign exchange loss	142,325	198,817
Waiver of lease payment	-	(37,500)
Operating profit before working capital changes	<u>279,491</u>	<u>2,171,926</u>
Changes in working capital		
Inventories	<u>(2,231,739)</u>	<u>(484,311)</u>
Trade and other receivables	<u>4,006,302</u>	<u>(4,916,376)</u>
Trade and other payables	<u>484,609</u>	<u>816,575</u>
	<u>2,259,172</u>	<u>(4,584,112)</u>
Cash generated from/(used in) operations	<u>2,538,663</u>	<u>(2,412,186)</u>
Interest paid	<u>(67,328)</u>	<u>(38,444)</u>
Interest received	<u>8,444</u>	<u>8,794</u>
Income tax paid	<u>(591,552)</u>	<u>(203,061)</u>
	<u>(650,436)</u>	<u>(232,711)</u>
Net cash generated from/(used in) operating activities	<u>1,888,227</u>	<u>(2,644,897)</u>
Cash Flows From Investing Activities		
Purchase of plant and equipment, representing net cash used in investing activities	<u>(492,385)</u>	<u>(728,733)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FPE 30 JUNE 2022 ⁽¹⁾ (CONT'D)

	Unaudited	
	12-month ended	
	30.6.2022	30.6.2021
	RM	RM
Cash Flows From Financing Activities		
Proceeds from issuance of shares	-	6,516,444
Repayment of term loans	(216,710)	(203,223)
Repayment of lease liabilities	(250,125)	(169,436)
Lease interest paid	(34,829)	(39,239)
Term loans interests paid	(87,152)	(105,633)
Increase in fixed deposits pledged	(513,621)	(183,995)
Net cash (used in)/generated from financing activities	<u>(1,102,437)</u>	<u>5,814,918</u>
Net increase in cash and cash equivalents	293,405	2,441,288
Cash and cash equivalents at the beginning of the financial year	<u>2,487,407</u>	<u>1,194,522</u>
Cash and cash equivalents at the end of the financial year	<u>2,780,812</u>	<u>3,635,810</u>
Cash and cash equivalents at the end of the financial year comprises:		
Cash and bank balances	3,174,428	1,100,280
Bank overdrafts	(393,616)	(469,254)
Fixed deposits with licensed banks	<u>1,272,810</u>	<u>3,559,515</u>
	<u>4,053,622</u>	<u>4,190,541</u>
Less: Fixed deposits pledged with licensed banks	<u>(1,272,810)</u>	<u>(554,731)</u>
	<u>2,780,812</u>	<u>3,635,810</u>

Note:

- (1) The basis of preparation of the unaudited condensed consolidated statement of cash flows is disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

**PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR
THE FIRST HALF-YEAR ENDED 30 JUNE 2022**

A1. BASIS OF PREPARATION

- 1.1 The unaudited interim financial report of the Group have been prepared in accordance with the Malaysian Financial Reporting Standards (“**MFRS**”) 134 – Interim Financial Reporting issued by the Malaysian Accounting Standard Board (“**MASB**”) and is in compliance with Rule 6.12 and Appendix 6A of the LEAP Market Listing Requirements of Bursa Securities (“**Listing Requirements**”). The unaudited interim financial report should be read in conjunction with the audited financial statements for the FYE 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.
- 1.2 The accounting standards and/or interpretations adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited combined financial statements for the FYE 31 December 2021.
- 1.3 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for the current financial period:-

		Effective dates for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Errors	1 January 2023
Amendments to MFRS 112	Income Taxes	1 January 2023
Amendments to MFRS 10	Consolidated Financial Statement	Deferred
Amendments to MFRS 128	Investments in Associates and Joint Ventures	Deferred



PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2022 (CONT'D)

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the Group's most recent annual audited financial statements for the FYE 31 December 2021 were not subject to any qualification.

A3. SEASONAL OR CYCLICAL FACTORS

The Group's business is subject to seasonal demand. The demand for the Group's products is higher prior to the commencement and during festive seasons such as Chinese New Year, Hari Raya and Christmas.

A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period under review.

A5. CHANGES IN MATERIAL ACCOUNTING ESTIMATES AND JUDGMENTS

There were no material changes in accounting estimates and judgments during the current financial period under review.

A6. DIVIDENDS PAID

There were no dividends paid during the current financial period under review.

PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2022 (CONT'D)

A7. SEGMENTAL INFORMATION

7.1 Analysis of revenue by business segments

The Group's revenue based on its business segments are presented as follows:

Revenue by business segments	Individual 6-month ended				Cumulative 6-month ended			
	30.6.2022		30.6.2021		30.6.2022		30.6.2021	
	RM	%	RM	%	RM	%	RM	%
Distribution and retail	21,840,752	68.87	31,505,048	73.51	21,840,752	68.87	31,505,048	73.51
Retail chain stores	9,397,848	29.63	10,229,726	23.87	9,397,848	29.63	10,229,726	23.87
Convenience stores	143,327	0.45	245,437	0.57	143,327	0.45	245,437	0.57
E-commerce	120,816	0.38	220,832	0.52	120,816	0.38	220,832	0.52
Others*	212,526	0.67	655,098	1.53	212,526	0.67	655,098	1.53
Total	31,715,269	100.00	42,856,141	100.00	31,715,269	100.00	42,856,141	100.00

Note:

* Comprising hotels, hospitals, airline food providers and consumers who purchased through vending machines and at the Group's display store as well as sales from grocery outlets.

7.2 Analysis of revenue by product groups

The Group's revenue based on its product groups are presented as follows:

Revenue by product group	Individual 6-month ended				Cumulative 6-month ended			
	30.6.2022		30.6.2021		30.6.2022		30.6.2021	
	RM	%	RM	%	RM	%	RM	%
Fresh fruits	31,488,217	99.29	42,571,591	99.34	31,488,217	99.29	42,571,591	99.34
Fruit products ⁽¹⁾	174,870	0.55	243,857	0.57	174,870	0.55	243,857	0.57
Other food products and groceries ⁽²⁾	52,182	0.16	40,693	0.09	52,182	0.16	40,693	0.09
Total	31,715,269	100.00	42,856,141	100.00	31,715,269	100.00	42,856,141	100.00

PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2022 (CONT'D)

A7. SEGMENTAL INFORMATION (CONT'D)

7.2 Analysis of revenue by product group (cont'd)

Notes:

- (1) *Comprising fruit juices, plant-based drinks, pickled fruits, dried fruits, cut fruits, frozen fruits and ready-to-eat fruit products.*
- (2) *Comprising frozen meat and seafood, nuts, vegetables, ready-to-eat food (e.g. soup, canned food, pre-mix sauces and pastes) and convenience food (e.g. instant noodles and snacks) as well as sales of products (excluding fresh fruits) from grocery outlets.*

A8. TAXATION

	Individual 6-month ended		Cumulative 12-month ended	
	Unaudited		Unaudited	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM	RM	RM	RM
Tax expenses recognised in profit or loss				
Malaysian statutory tax:				
- Current period tax provision	143,495	479,245	143,495	479,245

Meanwhile, the Group are taxed at the statutory rate of 24% on their chargeable income for the FPEs 30 June 2022 and 30 June 2021.

A9. ACQUISITION AND DISPOSAL OF PLANT AND EQUIPMENT

Save for the acquisition of motor vehicles as well as renovations and equipment acquired for the opening of grocery stores amounting to RM223,000, RM133,215 and RM292,470, respectively, there were no other material acquisitions or disposals of plant and equipment during the current financial period under review.

A10. OTHER INVESTMENTS

There were no other investments during the current financial period under review.



PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2022 (CONT'D)

A11. DEBT AND EQUITY SECURITIES

There was no issuance of debt and equity securities of the Company during the current financial period under review.

A12. CAPITAL COMMITMENTS

Save as disclosed below, there were no other material capital commitments as at 30 June 2022:

	30.6.2022
	RM
Authorised and contracted for:	
Purchase of plant and equipment	<u>204,161</u>

A13. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no material contingent assets and contingent liabilities as at 30 June 2022.

A14. SIGNIFICANT EVENTS OCCURRING SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

There were no material events subsequent to the end of the current financial period as at the date of this report except for the corporate proposals disclosed in Note C1.

A15. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current financial period under review.

A16. RELATED PARTY TRANSACTIONS

There were no related party transactions during the current financial period under review.



PART B: ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

Comparison with corresponding period in the preceding financial year:

First half-year ended 30 June 2022 (“1HFY22”) vs first half-year ended 30 June 2021 (“1HFY21”)

The Group’s revenue decreased by approximately RM11.14 million or 25.99% to RM31.72 million during the 1HFY22 (1HFY21: RM42.86 million) mainly arising from decreased sales of fresh fruits to the Group’s customers from the distribution and retail segment which is attributable to lower sales of durians following poor harvest due to rain and the Group’s focus on clearing the sales of overstocked imported fresh fruits resulting from supply chain disruption at Port Klang in the first quarter of year 2022 following the floods in Selangor towards the end of year 2021 which had disrupted the distribution of imported fresh fruits in Malaysia.

In addition, absence of revenue from the following sales channels in 1HFY22 contributed to the lower revenue generated by the Group during the financial period under review:

- (i) the Group’s display store ceased operations in August 2021 to reduce operating cost and to steer the Group’s business focus on wholesale of fresh fruits in the distribution and retail, and retail chain stores segments; and
- (ii) no sales of fresh fruits to hotels and airline food providers during the 1HFY22 were mainly due to fewer overseas flights and tourism activities in Malaysia.

The gross profit of the Group decreased by RM0.94 million or 19.18% to RM3.96 million in the 1HFY22 (2HFY20: RM4.90 million) are in line with the decrease in sales to the Group’s customers.

The Group recorded a loss after taxation of RM0.86 million in the 1HFY22 (1HFY21: profit after taxation of RM0.96 million) mainly due to higher realised and unrealised foreign exchange losses, higher employee costs, addition of allowance for impairment losses and fees incurred in relation to the share issuance scheme of up to 10% of the total number of issued ordinary shares in the Company (excluding treasury shares, if any) at any point in time during the tenure of the scheme for the eligible Directors and employees of the Group (excluding any dormant subsidiaries) (“SIS”) in 1HFY22.



PART B: ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS (CONT'D)

B2. PROSPECTS

The Coronavirus disease (“**Covid-19**”) pandemic continues to raise demand concerns especially on the Group’s customers in the airline food provider, hotel and hospital segments. Although the Group was allowed to operate throughout the period of the MCO imposed by the Malaysian government to curb the spread of Covid-19, there were many closures, or discontinuation of some of the Group’s customers.

The Company had on 6 May 2022 announced that it intends to diversify its businesses to include retail, distribution and wholesale of groceries and related business (“**Grocery Business**”) via Carzo Digital Media Sdn Bhd, the Company’s wholly-owned subsidiary, under the name of “Jii-Mart” (“**Diversification**”). The Grocery Business commenced on 3 June 2022 following the opening of the Group’s first store in Seremban, Negeri Sembilan on the same day. As at the date of this report, the Group has opened a total of 6 grocery stores throughout Negeri Sembilan and intends to open the remaining 4 by September 2022.

It is also the intention of the Group to establish additional grocery stores in urban and other sub-urban areas. Subject to the finalisation of rental arrangements at the potential locations, the Group intends to expand the Grocery Business with additional 40 grocery stores in Negeri Sembilan, Melaka and Johor over a period of 24 months.

In view of the recovering economic environment following the transition of the country entering into the endemic phase of Covid-19, the Board is of the view that the Grocery Business is complementary to its existing business in the long term as the Group’s grocery stores to be set up under the Grocery Business segment will provide the Group with an additional sales channel for the distribution and retail of fresh fruits and fruit products outside of Klang Valley.

Notwithstanding the Diversification, the Group remains committed to its existing business and will continue to focus its business on distribution and retail segment as well as the retail chain store segment. With the abovesaid background, barring any unforeseen circumstances, the Group is cautiously optimistic about the business performance moving forward.

B3. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.



PART B: ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS (CONT'D)

B4. BASIC EARNINGS PER SHARE

The basic earnings per share amounts are calculated by dividing the net profit for the financial year attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period under review.

	Individual 6-month ended		Cumulative 6-month ended	
	Unaudited		Unaudited	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM	RM	RM	RM
(Loss)/ Profit attributable to owners of the Company	<u>(859,061)</u>	<u>958,024</u>	<u>(859,061)</u>	<u>958,024</u>
Weighted average number of ordinary shares in issue	<u>88,270,000</u>	<u>80,457,373</u>	<u>88,270,000</u>	<u>80,457,373</u>
(Loss)/ Earnings per share (sen)	<u>(0.97)</u>	<u>1.19</u>	<u>(0.97)</u>	<u>1.19</u>

Diluted earnings per share is the same as the basic earnings per share as there were no potential dilutive instruments as of the financial period under review.

PART C: OTHER INFORMATION

C1. STATUS OF CORPORATE PROPOSALS

- (a) On 12 May 2022, the Company had announced the SIS and had been approved by the Company's shareholders at the extraordinary general meeting held on 27 June 2022. On 28 July 2022, the Company announced that the effective date for the implementation of the SIS is on 28 July 2022. The Company has not granted any options under the SIS ("**SIS Options**") and there are no outstanding SIS Options which have been granted but unexercised as at the date of this report.
- (b) On 8 August 2022, the Company announced that it proposed to undertake the proposed private placement of up to 20% of the total number of issued shares of the Company (excluding treasury shares, if any) ("**Proposed Private Placement**").

Bursa Securities had, vide its letter dated 23 August 2022, noted that up to 17,654,000 new Carzo Shares arising from the Proposed Private Placement ("**Placement Shares**") will be listed and quoted on the LEAP Market of Bursa Securities in multiple tranches in the second half of 2022 and first quarter of 2023. The Company has not allotted and issued any Placement Shares as at the date of this report.

C2. BOROWINGS AND DEBT SECURITIES

The Group's borrowings as at 30 June 2022 are as follows:

	Current RM	Non-Current RM	Total RM
Secured			
Term loans	366,772	1,019,367	1,386,139
Bank overdraft	393,616	-	393,616
Banker's acceptances	4,217,514	-	4,217,514
	<u>4,977,902</u>	<u>1,019,367</u>	<u>5,997,269</u>
Unsecured			
Term loan	95,586	262,450	358,036
	<u>5,073,488</u>	<u>1,281,817</u>	<u>6,355,305</u>
		Unaudited 30.6.2022 RM	Audited 31.12.2021 RM
Total bank borrowings		6,355,305	5,914,014
Less: Deposits, bank and cash balances		<u>(4,447,238)</u>	<u>(3,887,090)</u>
		<u>1,908,067</u>	<u>2,026,924</u>

PART C: OTHER INFORMATION (CONT'D)

C3. MATERIAL LITIGATION

There are no material litigations involving the Group as at the date of this report.

C4. UTILISATION OF PROCEEDS

The status of utilisation of proceeds raised of RM6,516,444 from CRI Sdn Bhd and the 41 prelisting investors prior to the listing of the Company on the LEAP Market of Bursa Securities on 9 September 2021 (“**Pre-Listing Proceeds**”) as at the date of this report is as follows:

- (I) As at 6 May 2022 (being the date of the announcement in relation to the variation of utilisation purpose of part of the balance Pre-Listing Proceeds (“**Variation**”), the Group had utilised RM3.76 million of the Pre-Listing Proceeds whilst the balance Pre-Listing Proceeds of RM2.76 million remained unutilised as follows:

	Allocation of funds RM	Utilisation of proceeds as of 6.5.2022 RM	Un-utilised proceeds RM	Expected time frame for utilisation of proceeds (from 30.6.2021, being the latest practicable date prior to the date of the Information Memorandum) RM
Utilisation purposes:				
Capital expenditure for:				
- acquisition of premises or land	1,000,000	-	1,000,000	Within 18 months
- new cold room facilities	316,494	(316,494)	-	Utilised
- acquisition of trucks and machineries	1,870,000	(173,411)	1,696,589	Within 14 months
Working capital for business expansion	2,429,950	(2,388,132)	63,516 ⁽¹⁾	Within 14 months
Estimated listing expenses	900,000	(878,302)	- ⁽¹⁾	Within 7 months
Total proceeds	6,516,444	(3,756,339)	2,760,105	

Note:

- (1) The surplus amount to defray listing expenses was reallocated to the amount earmarked for working capital for business expansion of the Group.



PART C: OTHER INFORMATION (CONT'D)

C4. UTILISATION OF PROCEEDS (CONT'D)

(II) The Group had utilised RM1.55 million of the revised Pre-Listing Proceeds after the Variation whilst the balance Pre-Listing Proceeds of RM1.21 million remained unutilised as follows:

Utilisation purposes:	Revised allocation after the Variation RM	Utilisation of proceeds as of 22.8.2022 RM	Un-utilised proceeds RM	Expected time frame for utilisation of proceeds (from 6.5.2022) RM
Capital expenditure for:				
- acquisition of trucks and machineries	200,000	-	200,000	Within 8 months
- furniture & fittings	392,400	(254,093)	138,307	Within 6 months
- acquisition of assets for grocery stores	1,296,310	(668,629)	627,681	Within 6 months
Working capital for Grocery Business	871,395	(625,895)	245,500	Within 8 months
Total proceeds	<u>2,760,105</u>	<u>(1,548,617)</u>	<u>1,211,488</u>	