



**CARZO HOLDINGS BERHAD**

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

**SECOND HALF YEARLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

**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 22 February 2022



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021<sup>(1)</sup>**

	<b>Unaudited as at 31.12.2021 RM</b>	<b>Audited as at 31.12.2020<sup>(2)</sup> RM</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Plant and equipment	1,814,483	1,162,894
Right-of-use assets	340,284	428,605
	<u>2,154,767</u>	<u>1,591,499</u>
<b>Current Assets</b>		
Inventories	1,486,143	951,363
Trade and other receivables	22,608,853	15,145,842
Fixed deposits with licensed banks	3,528,669	370,736
Tax recoverable	117,796	-
Cash and bank balances	196,531	1,621,244
	<u>27,937,992</u>	<u>18,089,185</u>
<b>Total Assets</b>	<u>30,092,759</u>	<u>19,680,684</u>
<b>EQUITY</b>		
Share capital	9,476,397	3,177,730
Merger reserve	(1,857,406)	(1,857,406)
Retained earnings	1,832,436	1,413,129
<b>Total Equity</b>	<u>9,451,427</u>	<u>2,733,453</u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Borrowings	1,515,902	1,968,349
Lease liabilities	531,890	401,869
	<u>2,047,792</u>	<u>2,370,218</u>
<b>Current Liabilities</b>		
Trade and other payables	13,808,673	11,115,374
Borrowings	4,403,907	2,655,365
Lease liabilities	380,960	330,003
Provision for taxation	-	476,271
	<u>18,593,540</u>	<u>14,577,013</u>
<b>Total Liabilities</b>	<u>20,641,332</u>	<u>16,947,231</u>
<b>Total Equity and Liabilities</b>	<u>30,092,759</u>	<u>19,680,684</u>
Net assets per share <sup>(3)</sup>	<u>0.11</u>	<u>0.04</u>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021<sup>(1)</sup> (CONT'D)**

Notes:

- (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 combined financial statements of Carzo and its subsidiaries (“**Group**”) for the financial year ended (“**FYE**”) 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.
- (2) The comparative figures for the preceding FYE 31 December 2020 were prepared as if the entities have always been combined since the date the entities had come under common control.
- (3) Net assets per share is calculated based on the total number of 63,554,400 and 88,270,000 ordinary shares in Carzo (“**Carzo Shares**” or “**Shares**”) as at 31 December 2020 and 31 December 2021, respectively.



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
 AND OTHER COMPREHENSIVE INCOME FOR THE 2<sup>ND</sup> HALF-YEAR ENDED 31  
 DECEMBER 2021<sup>(1)</sup>**

	Individual 6-month ended		Cumulative 12-month ended	
	Unaudited		Unaudited	Audited
	31.12.2021	31.12.2020 <sup>(2)</sup>	31.12.2021	31.12.2020 <sup>(2)</sup>
	RM	RM	RM	RM
Revenue	47,439,518	32,481,122	90,295,659	47,839,645
Cost of sales	(43,183,008)	(27,864,383)	(81,143,010)	(39,621,222)
Gross profit	<u>4,256,510</u>	<u>4,616,739</u>	<u>9,152,649</u>	<u>8,218,423</u>
Other operating income	36,847	1,490,005	497,927	1,633,011
Operating and administrative expenses	(4,106,247)	(4,036,013)	(7,842,881)	(6,546,271)
<b>Profit from operations</b>	<u>187,110</u>	<u>2,070,731</u>	<u>1,807,695</u>	<u>3,305,163</u>
Finance costs	(224,866)	(131,755)	(408,182)	(246,656)
<b>(Loss)/ Profit before taxation</b>	<u>(37,756)</u>	<u>1,938,976</u>	<u>1,399,513</u>	<u>3,058,507</u>
Taxation	(500,961)	(387,755)	(980,206)	(696,149)
<b>(Loss)/ Profit after taxation</b>	<u>(538,717)</u>	<u>1,551,221</u>	<u>419,307</u>	<u>2,362,358</u>
<b>(Loss)/ Profit after taxation attributable to:-</b>				
Owners of the Company:	<u>(538,717)</u>	<u>1,551,221</u>	<u>419,307</u>	<u>2,362,358</u>
<b>Total comprehensive (loss)/ income attributable to:-</b>				
Owners of the Company:	<u>(538,717)</u>	<u>1,551,221</u>	<u>419,307</u>	<u>2,362,358</u>
<b>(Loss)/Earnings per Share (sen)</b>				
- Basic	<u>(0.61)</u>	<u>2.44</u>	<u>0.50</u>	<u>3.72</u>



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME FOR THE 2<sup>ND</sup> HALF-YEAR ENDED 31  
DECEMBER 2021 <sup>(1)</sup> (CONT'D)**

Notes:

- (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 combined financial statements of the Group for the FYE 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.
- (2) The comparative figures for the preceding FYE 31 December 2020 were prepared as if the entities have always been combined since the date the entities had come under common control.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 2<sup>ND</sup> HALF-YEAR ENDED 31 DECEMBER 2021<sup>(1)</sup>**

	Share capital RM	Merger reserve RM	(Accumulated losses)/ Retained earnings RM	Total RM
At 1 January 2020	420,200	-	(949,229)	(529,029)
Issuance of shares	4,077,830	-	-	4,077,830
Acquisition of interests in common controlled entities	(1,320,300)	(1,857,406)	-	(3,177,706)
Profit for the financial period	-	-	2,362,358	2,362,358
<b>At 31 December 2020</b>	<u>3,177,730</u>	<u>(1,857,406)</u>	<u>1,413,129</u>	<u>2,733,453</u>
At 1 January 2021	3,177,730	(1,857,406)	1,413,129	2,733,453
Issuance of new shares	6,516,444	-	-	6,516,444
Profit for the financial period	-	-	419,307	419,307
Share issuance expenses	(217,777)	-	-	(217,777)
<b>At 31 December 2021</b>	<u>9,476,397</u>	<u>(1,857,406)</u>	<u>1,832,436</u>	<u>9,451,427</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 combined financial statements of the Group for the FYE 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR  
 FYE 31 DECEMBER 2021<sup>(1)</sup>**

	<b>Unaudited</b>	<b>Audited</b>
	<b>12-month ended</b>	
	<b>31.12.2021</b>	<b>31.12.2020<sup>(2)</sup></b>
	<b>RM</b>	<b>RM</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	1,399,513	3,058,507
Adjustments for:		
Bad debts written off	-	1,251,507
Depreciation of plant and equipment	528,316	353,835
Depreciation of right-of-use assets	212,164	146,336
Impairment of plant and equipment	125,664	-
Impairment loss on trade receivables	52,464	-
Interest income	(28,096)	(8,411)
Interest expense	408,182	246,656
Plant and equipment written off	-	25,059
Reversal of allowance for impairment loss	-	(1,091,503)
Unrealised foreign exchange loss/ (gain)	146,105	(91,136)
Waiver of lease payment	(37,500)	-
Operating profit before working capital changes	<u>2,806,812</u>	<u>3,890,850</u>
Changes in working capital		
Inventories	(534,780)	213,501
Trade and other receivables	(7,515,475)	(3,562,535)
Trade and other payables	4,317,917	(139,040)
	<u>(3,732,338)</u>	<u>(3,488,074)</u>
Cash used in operations	(925,526)	402,776
Interest paid	(86,078)	(25,690)
Interest received	23,777	8,411
Income tax paid	(1,574,273)	(548,427)
	<u>(1,636,574)</u>	<u>(565,706)</u>
Net cash used in operating activities	<u>(2,562,100)</u>	<u>(162,930)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of plant and equipment, representing net cash used in investing activities	<u>(767,664)</u>	<u>(156,082)</u>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR  
 FYE 31 DECEMBER 2021<sup>(1)</sup> (CONT'D)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>12-month ended</b>	
	<b>31.12.2021</b>	<b>31.12.2020<sup>(2)</sup></b>
	<b>RM</b>	<b>RM</b>
<b>Cash Flows From Financing Activities</b>		
Share issuance expenses	(217,777)	-
Drawdown of term loan	-	1,000,000
Proceeds from issuance of shares	6,516,444	900,124
Repayment of term loans	(397,493)	(52,488)
Repayment of lease liabilities	(424,528)	(242,058)
Lease interest paid	(72,616)	(40,362)
Term loans interests paid	(203,946)	(206,294)
Increased in fixed deposits pledged	(384,134)	(68,411)
Net cash from financing activities	<u>4,815,950</u>	<u>1,290,511</u>
<b>Net increase in cash and cash equivalents</b>	1,486,186	971,499
<b>Cash and cash equivalents at the beginning of the financial year</b>	<u>1,194,522</u>	<u>223,023</u>
<b>Cash and cash equivalents at the end of the financial year</b>	<u>2,680,708</u>	<u>1,194,522</u>
<b>Cash and cash equivalents at the end of the financial year comprises:</b>		
Cash and bank balances	196,531	1,621,244
Bank overdrafts	(285,303)	(426,722)
Fixed deposits with licensed banks	3,528,669	(370,736)
	<u>3,439,897</u>	<u>823,786</u>
Less: Fixed deposits pledged with licensed banks	(759,189)	370,736
	<u>2,680,708</u>	<u>1,194,522</u>

Notes:

- (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 combined financial statements of the Group for the FYE 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.
- (2) The comparative figures for the preceding FYE 31 December 2020 were prepared as if the entities have always been combined since the date the entities had come under common control.





**PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2021**

**1. BASIS OF PREPARATION**

- 1.1 The unaudited interim financial report of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“**MFRS**”) 134 – Interim Financial Reporting issued by the Malaysian Accounting Standard Board (“**MASB**”) and in compliance with Rule 6.12 and Appendix 6A of the LEAP Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”). The unaudited interim financial report should be read in conjunction with the audited combined financial statements for the FYE 31 December 2020 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 2020.
- 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:-

		<b>Effective dates for financial periods beginning on or after</b>
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022
Amendments to MFRS 3	Business Combinations	1 January 2022
Amendments to MFRS 9	Financial Instruments	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment	1 January 2022
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Amendments to MFRS 141	Agriculture	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2023



**PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

**1. BASIS OF PREPARATION (CONT'D)**

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 (*cont'd*) :-

		<b>Effective dates for financial periods beginning on or after</b>
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

**2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the Group's most recent annual audited combined financial statements for the FYE 31 December 2020 were not subject to any qualification.

**3. 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.

**4. 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.

**5. CHANGES IN MATERIAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

**6. 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 SECOND HALF-YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

**7. SEGMENTAL INFORMATION**

**7.1 Analysis of revenue by business segments**

The Group's revenue based on its business segment is presented as follows:

Revenue by business segments	Individual 6-month ended				Cumulative 12-month ended			
	31.12.2021		31.12.2020		31.12.2021		31.12.2020	
	RM	%	RM	%	RM	%	RM	%
Distribution and retail	35,029,428	73.84	27,157,111	83.61	66,534,476	73.69	37,872,107	79.16
Retail chain stores	11,632,707	24.52	3,863,458	11.89	21,862,433	24.21	6,669,713	13.94
Convenience stores	286,856	0.60	316,761	0.98	532,293	0.59	496,697	1.04
E-commerce	320,966	0.68	210,875	0.65	541,798	0.60	1,314,829	2.75
Others*	169,561	0.36	932,917	2.87	824,659	0.91	1,486,299	3.11
<b>Total</b>	<b>47,439,518</b>	<b>100.00</b>	<b>32,481,122</b>	<b>100.00</b>	<b>90,295,659</b>	<b>100.00</b>	<b>47,839,645</b>	<b>100.00</b>

Note:

\* Comprising hotels, hospitals, airline food providers and consumers who purchased through vending machines and at the Group's display store.

**7.2 Analysis of revenue by product group**

The Group's revenue based on its product group is presented as follows:

Revenue by product group	Individual 6-month ended				Cumulative 12-month ended			
	31.12.2021		31.12.2020		31.12.2021		31.12.2020	
	RM	%	RM	%	RM	%	RM	%
Fresh fruits	47,191,966	99.48	31,906,030	98.23	89,763,557	99.41	46,743,676	97.71
Fruit products <sup>(1)</sup>	244,266	0.51	200,903	0.62	488,123	0.54	514,210	1.07
Other food products <sup>(2)</sup>	3,286	0.01	374,189	1.15	43,979	0.05	581,759	1.22
<b>Total</b>	<b>47,439,518</b>	<b>100.00</b>	<b>32,481,122</b>	<b>100.00</b>	<b>90,295,659</b>	<b>100.00</b>	<b>47,839,645</b>	<b>100.00</b>



**PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

**7. 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).*

**8. TAXATION**

	Individual 6-month ended		Cumulative 12-month ended	
	Unaudited 31.12.2021	Unaudited 31.12.2020	Unaudited 31.12.2021	Audited 31.12.2020
	RM	RM	RM	RM
<b>Tax expenses recognised in profit or loss</b>				
<b>Malaysian statutory tax:</b>				
- Current period tax provision	222,413	386,237	701,658	705,428
- Under provision in prior years	278,548	1,518	278,548	8,456
	<u>500,961</u>	<u>387,755</u>	<u>980,206</u>	<u>713,884</u>
<b>Deferred tax:</b>				
- Origination and reversal of temporary differences	-	-	-	(29,180)
- Under provision in prior years	-	-	-	11,445
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,735)</u>
	<u>500,961</u>	<u>387,755</u>	<u>980,206</u>	<u>696,149</u>

The statutory tax rate for small and medium-sized enterprises, which is applicable to the Group for the FYE 31 December 2020, is 17% for the first RM600,000 of chargeable income and the balance of chargeable income is taxable at the rate of 24%.

Meanwhile, the Group are taxed at the statutory rate of 24% on their chargeable income for the FYE 31 December 2021.

**9. ACQUISITION AND DISPOSAL OF PLANT AND EQUIPMENT**

Save for the acquisition of motor vehicle and renovation of cold room amounting to RM472,950 and RM724,624 respectively, there were no other material acquisitions or disposals of plant and equipment during the current financial period under review.



**PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR  
THE SECOND HALF-YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

**10. OTHER INVESTMENTS**

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

**11. DEBT AND EQUITY SECURITIES**

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

**12. CAPITAL COMMITMENTS**

Save as disclosed below, there were no other material capital commitments as at 31 December 2021:

	<b>31.12.2021</b>
	<b>RM</b>
<b>Authorised and contracted for:</b>	
Purchase of plant and equipment	<u>160,000</u>

**13. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

There were no material contingent assets and contingent liabilities as at 31 December 2021.



**PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR  
THE SECOND HALF-YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

**14. 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.

**15. CHANGES IN COMPOSITION OF THE GROUP**

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

**16. 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:  
Second half of the FYE 31 December 2021 (“2HFY21”) vs second half of the FYE 31 December 2020 (“2HFY20”)

The Group’s revenue increased by approximately RM14.96 million or 46.06% to RM47.44 million during the 2HFY21 (2HFY20: RM32.48 million) mainly arising from higher sales of fresh fruits to the Group’s customers:

- (i) in the distribution and retail segment, as most businesses were allowed to operate, albeit at limited capacity, during the movement control order implemented by the Malaysian government from 1 June 2021 which led to recovery of consumer spending whereby the end consumers have resumed purchasing fresh fruits directly from the Group’s customers which operate in wet markets and small retailers; and
- (ii) in retail chain store segment, as the Group managed to procure more orders from its existing customers in the retail chain store segment,

which was partially offset by lower sales of fresh fruits to hotels and airline food providers due to less overseas flights and tourism activities as well as lower sales of other food products at the Group’s display store due to the cessation of the operation of display store in August 2021 to reduce operating cost and to steer its business focus on wholesale of fresh fruits in the distribution and retail segment and retail chain store segment.

Despite the substantial increase in the revenue of the Group, the gross profit (“GP”) of the Group decreased by RM0.36 million or 7.79% to RM4.26 million in the 2HFY21 (2HFY20: RM4.62 million) mainly due to lower GP margin recorded by the Group’s customers in retail chain store segment as the Group adopted a more competitive pricing strategy to entice its customers in the retail chain store segment to increase their orders of fresh fruits from the Group in order to foster a long term business relationship with these customers.

The Group recorded a loss before taxation of RM37,756 in the 2HFY21 (2HFY20: profit before taxation of RM1.94 million) mainly due to lower profit margin as mentioned above as well as listing expenses incurred and lower other income arising from the reduction of reversal of allowance for impairment losses in the 2HFY21.



**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 movement control order (MCO) imposed by the Malaysian government to curb the spread of Covid-19 as the Group’s business operation in fruit distribution, retail and processing activities is recognised as essential service, there were many closures, or discontinuation of some of these Group’s customers.

The Group will continue to focus its business on distribution and retail segment as well as retail chain store segment in year 2022.

However, as the Covid-19 pandemic remains ongoing as at the date of this report, it is still uncertain to predict the overall impact it has on the Group’s key customers in the distribution and retail segment and retail chain store segment as well as the demand on the Group’s products. The Group will closely monitor and assess the impact of Covid-19 pandemic to its financial performance.

With the information above, 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 parent by the weighted average number of ordinary shares in issue during the financial year under review.

	<b>Individual 6-month ended</b>		<b>Cumulative 12-month ended</b>	
	<b>Unaudited</b>		<b>Unaudited</b>	<b>Audited</b>
	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>(Loss)/ Profit attributable to owners of the Company</b>	<u>(538,717)</u>	<u>1,551,221</u>	<u>419,307</u>	<u>2,362,358</u>
<b>Weighted average number of ordinary shares in issue</b>	<u>88,270,000</u>	<u>63,554,400</u>	<u>84,395,793</u>	<u>63,554,400</u>
<b>(Loss)/ Earnings per share (sen)</b>	<u>(0.61)</u>	<u>2.44</u>	<u>0.50</u>	<u>3.72</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 year under review.



**PART C: OTHER INFORMATION**

**C1 STATUS OF CORPORATE PROPOSALS**

There is no other corporate proposals announced but pending completion as at the date of this report.

**C2 BOROWINGS AND DEBT SECURITIES**

The Group's borrowings as at 31 December 2021 are as follows:

	<b>Current RM</b>	<b>Non-Current RM</b>	<b>Total RM</b>
<b>Secured</b>			
Term loans	355,007	1,203,793	1,558,800
Bank overdraft	285,303	-	285,303
Banker's acceptances	3,673,621	-	3,673,621
	<u>4,313,931</u>	<u>1,203,793</u>	<u>5,517,724</u>
<b>Unsecured</b>			
Term loan	89,976	312,109	402,085
	<u>4,403,907</u>	<u>1,515,902</u>	<u>5,919,809</u>
		<b>Unaudited 31.12.2021 RM</b>	<b>Audited 31.12.2020 RM</b>
Total bank borrowings		5,919,809	4,623,714
Less: Deposits, bank and cash balances		<u>(3,725,200)</u>	<u>(1,991,980)</u>
		<u>2,194,609</u>	<u>2,631,734</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**

As at 31 December 2021, the status of utilisation of proceeds raised of RM6,516,444 from CRI and the 41 pre-listing investor prior to the listing of Carzo on the LEAP Market of Bursa Securities is as follows:

	Allocation of funds RM	Utilisation of proceeds as of 31.12.2021 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
<b>Utilisation purposes:</b>				
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 <sup>(1)</sup>	Within 14 months
Estimated listing expenses	900,000	(878,302)	-	<sup>(1)</sup> Within 7 months
<b>Total proceeds</b>	<b>6,516,444</b>	<b>(3,756,339)</b>	<b>2,760,105</b>	

Note:

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