



CARZO HOLDINGS BERHAD

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

**THIRD HALF YEARLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

**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 30 August 2023



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023⁽¹⁾

	Unaudited as at 30.6.2023 RM	Audited as at 31.12.2021 RM
ASSETS		
Non-Current Assets		
Plant and equipment	2,778,401	1,814,483
Right-of-use assets	1,614,354	340,284
	<u>4,392,755</u>	<u>2,154,767</u>
Current Assets		
Inventories	1,802,389	1,486,143
Trade and other receivables	3,643,791	22,707,360
Amount due from Directors	100,000	-
Fixed deposits with licensed banks	1,753,535	3,528,669
Tax recoverable	1,252,185	117,796
Cash and bank balances	2,624,203	358,421
	<u>11,176,103</u>	<u>28,198,389</u>
Total Assets	<u>15,568,858</u>	<u>30,353,156</u>
EQUITY		
Share capital	13,476,309	9,476,397
Merger reserve	(1,857,406)	(1,857,406)
(Accumulated losses)/Retained earnings	(16,416,165)	1,737,680
Total Equity	<u>(4,797,262)</u>	<u>9,356,671</u>
LIABILITIES		
Non-Current Liabilities		
Borrowings	2,580,932	1,515,902
Lease liabilities	1,271,682	531,805
	<u>3,852,614</u>	<u>2,047,707</u>
Current Liabilities		
Trade and other payables	7,627,851	14,169,621
Borrowings	8,141,031	4,398,112
Lease liabilities	744,624	381,045
	<u>16,513,506</u>	<u>18,948,778</u>
Total Liabilities	<u>20,366,120</u>	<u>20,996,485</u>
Total Equity and Liabilities	<u>15,568,858</u>	<u>30,353,156</u>
Net (liabilities)/assets per share	<u>(0.05)</u>	<u>0.11</u>



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023⁽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 FINANCIAL PERIOD ENDED
 (“FPE”) 30 JUNE 2023⁽¹⁾**

	Individual 6-month ended		Cumulative	
	Unaudited		18-month ended	12-month ended
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	RM	RM	RM	RM
Revenue	15,260,199	31,715,269	70,350,756	N/A
Cost of sales	(14,701,252)	(27,752,781)	(64,453,973)	N/A
Gross profit	<u>558,947</u>	<u>3,962,488</u>	<u>5,896,783</u>	<u>N/A</u>
Other operating income	49,248	57,826	407,926	N/A
Operating and administrative expenses	(10,269,822)	(4,546,571)	(23,354,363)	N/A
Loss from operations	<u>(9,661,627)</u>	<u>(526,257)</u>	<u>(17,049,654)</u>	<u>N/A</u>
Finance costs	(300,106)	(189,309)	(755,543)	N/A
Loss before taxation	<u>(9,961,733)</u>	<u>(715,566)</u>	<u>(17,805,197)</u>	<u>N/A</u>
Taxation	(43,318)	(143,495)	(348,648)	N/A
Loss after taxation	<u>(10,005,051)</u>	<u>(859,061)</u>	<u>(18,153,845)</u>	<u>N/A</u>
Loss after taxation attributable to:-				
Owners of the Company:	<u>(10,005,051)</u>	<u>(859,061)</u>	<u>(18,153,845)</u>	<u>N/A</u>
Total comprehensive loss attributable to:-				
Owners of the Company:	<u>(10,005,051)</u>	<u>(859,061)</u>	<u>(18,153,845)</u>	<u>N/A</u>
Loss per share (sen)				
- Basic	<u>(10.66)</u>	<u>(0.97)</u>	<u>(19.66)</u>	<u>N/A</u>



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE FPE 30 JUNE 2023⁽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 accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FPE 30 JUNE 2023⁽¹⁾

	Share capital RM	Merger reserve RM	Retained earnings/ (Accumulated losses) RM	Total RM
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 year	-	-	324,551	324,551
Share issuance expenses	(217,777)	-	-	(217,777)
At 31 December 2021	<u>9,476,397</u>	<u>(1,857,406)</u>	<u>1,737,680</u>	<u>9,356,671</u>
At 1 January 2022	9,476,397	(1,857,406)	1,737,680	9,356,671
Issuance of new shares	3,999,912	-	-	3,999,912
Loss for the financial period	-	-	(18,153,845)	(18,153,845)
At 30 June 2023	<u>13,476,309</u>	<u>(1,857,406)</u>	<u>(16,416,165)</u>	<u>(4,797,262)</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 FPE 30 JUNE 2023⁽¹⁾

	Unaudited 18-month ended 30.6.2023 RM	Audited 12-month ended 31.12.2021 RM
Cash Flows From Operating Activities		
(Loss)/Profit before taxation	(17,805,197)	1,304,757
Adjustments for:		
Depreciation of plant and equipment	1,102,071	528,316
Depreciation of right-of-use assets	675,844	212,164
Deposit written off	28,900	14,150
Loss on disposal of plant and equipment	73,836	-
Gain on adjustments for lease modifications	(9,806)	-
Plant and equipment written off	187,126	-
Impairment of plant and equipment	-	125,664
Impairment loss on trade receivables	9,559,211	150,327
Interest income	(49,095)	(28,095)
Interest expense	755,543	407,282
Reversal of allowance for impairment loss	(87,599)	-
Unrealised foreign exchange loss	130,790	146,105
Waiver of lease payment	-	(37,500)
Operating (loss)/profit before working capital changes	<u>(5,438,376)</u>	<u>2,823,170</u>
Changes in working capital		
Inventories	(316,246)	(534,780)
Trade and other receivables	9,269,794	(7,744,737)
Trade and other payables	(3,031,925)	4,555,330
	<u>5,921,623</u>	<u>(3,724,187)</u>
Cash generated from/(used in) operations	483,247	(901,017)
Interest paid	(312,856)	(131,620)
Interest received	49,095	28,095
Income tax paid	(1,483,037)	(1,574,273)
	<u>(1,746,798)</u>	<u>(1,677,798)</u>
Net cash used in operating activities	<u>(1,263,551)</u>	<u>(2,578,815)</u>
Cash Flows From Investing Activities		
Proceeds from disposal of plant and equipment	85,900	-
Purchase of plant and equipment, representing net cash used in investing activities	<u>(2,252,851)</u>	<u>(767,664)</u>
Net cash used in investing activities	<u>(2,166,951)</u>	<u>(767,664)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FPE 30 JUNE 2023⁽¹⁾ (CONT'D)

	Unaudited 18-month ended 30.6.2023 RM	Audited 12-month ended 31.12.2021 RM
Cash Flows From Financing Activities		
Drawdown of bank borrowing	2,000,000	-
Proceeds from issuance of shares	3,999,912	6,516,444
Share issuance expenses	-	(217,777)
Repayment of term loans	(670,936)	(408,770)
Repayment of lease liabilities	(996,652)	(424,528)
Lease interest paid	(193,941)	(71,716)
Term loans interests paid	(240,642)	(203,946)
Increase in fixed deposits pledged	(994,346)	(388,453)
Net cash generated from financing activities	<u>2,903,395</u>	<u>4,801,254</u>
Net (decrease)/increase in cash and cash equivalents	(527,107)	1,454,775
Cash and cash equivalents at the beginning of the financial period/year	<u>2,649,297</u>	<u>1,194,522</u>
Cash and cash equivalents at the end of the financial period/year	<u>2,122,190</u>	<u>2,649,297</u>
Cash and cash equivalents at the end of the financial period/year comprises:		
Cash and bank balances	2,624,203	358,421
Bank overdrafts	(502,013)	(478,604)
Fixed deposits with licensed banks	1,753,535	3,528,669
	<u>3,875,725</u>	<u>3,408,486</u>
Less: Fixed deposits pledged with licensed banks	<u>(1,753,535)</u>	<u>(759,189)</u>
	<u>2,122,190</u>	<u>2,649,297</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 FPE 30 JUNE 2023

A1. BASIS OF PREPARATION

- 1.1 The unaudited interim financial report of the Group has 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:-

<u>Amendments/Improvements to MFRSs</u>		Effective dates for financial periods beginning on or after
Amendments to MFRS 7	Financial Instruments: Disclosures	1 January 2024
Amendments to MFRS 16	Leases	1 January 2024
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2024
Amendments to MFRS 107	Statement of Cash Flows	1 January 2024
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 FPE 30 JUNE 2023 (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 fresh fruits business is subject to seasonal demand while the Group's grocery business does not experience any seasonality as the demand for grocery products is not subject to major seasonal fluctuations. The demand for the Group's fresh fruits 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

Save for the RM9,559,211 of allowance of impairment loss on trade receivables due to unrecoverable debts from certain trades, there were no other 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 FPE 30 JUNE 2023 (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 18-month ended ⁽⁴⁾	
	30.6.2023		30.6.2022		30.6.2023	
	RM	%	RM	%	RM	%
<u>Fruits business</u>						
Distribution and retail	5,547,454	36.36	21,840,752	68.87	38,856,243	55.24
Retail chain stores	8,486,658	55.61	9,397,848	29.63	28,522,259	40.54
Convenience stores ⁽¹⁾	(5,952)	(0.04)	143,327	0.45	49,730	0.07
E-commerce	5,315	0.03	120,816	0.38	204,778	0.29
Others ⁽²⁾	155,530	1.02	212,526	0.67	421,262	0.60
	14,189,005	92.98	31,715,269	100.00	68,054,272	96.74
<u>Grocery business</u>						
Groceries ⁽³⁾	1,071,194	7.02	-	-	2,296,484	3.26
Total	15,260,199	100.00	31,715,269	100.00	70,350,756	100.00

Notes:

(1) The negative figure arises from credit note issued to customer.

(2) Comprising hotels, hospitals, airline food providers and consumers who purchased through vending machines.

(3) This being sales from grocery outlets which commenced during the FPE 30 June 2023.

(4) The financial year ended has been changed from 31 December to 30 June. The reporting financial period will be for a period of 18 months, made up from 1 January 2022 to 30 June 2023. As such, there are no comparative figures for the preceding year corresponding periods.

PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FPE 30 JUNE 2023 (CONT'D)

A7. SEGMENTAL INFORMATION (CONT'D)

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 18-month ended ⁽⁴⁾	
	30.6.2023		30.6.2022		30.6.2023	
	RM	%	RM	%	RM	%
Fresh fruits	14,173,427	92.88	31,488,217	99.28	67,845,864	96.45
Fruit products ⁽¹⁾	6,402	0.04	174,870	0.55	197,882	0.28
Other food products ⁽²⁾	9,176	0.06	52,182	0.16	10,526	0.01
Groceries ⁽³⁾	1,071,194	7.02	-	0.00	2,296,484	3.26
Total	15,260,199	100.00	31,715,269	100.00	70,350,756	100.00

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) sold via the Group's E-commerce sales channel.
- (3) Comprising groceries sold at the grocery outlets (Jii-Mart).
- (4) The financial year ended has been changed from 31 December to 30 June. The reporting financial period will be for a period of 18 months, made up from 1 January 2022 to 30 June 2023. As such, there are no comparative figures for the preceding year corresponding periods.

PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FPE 30 JUNE 2023 (CONT'D)

A8. TAXATION

	Individual 6-month ended		Cumulative 18-
	Unaudited		month ended
	30.6.2023	30.6.2022	Unaudited
	RM	RM	30.6.2023
			RM
Tax expenses recognised in profit or loss			
Malaysian statutory tax:			
- Current period tax provision	43,318	143,495	293,250
- Under provision in prior years	-	-	55,398
	<u>43,318</u>	<u>143,495</u>	<u>348,648</u>

Meanwhile, the Group are taxed at the statutory rate of 24% on their chargeable income for the FPE 30 June 2023.

A9. ACQUISITION AND DISPOSAL OF PLANT AND EQUIPMENT

The table below sets out the acquisitions of plant and equipment during the financial period under review.

	30.6.2023
	RM
Acquisition of plant and equipment:	
Computer & Software	725,305
Outlet equipment	433,995
Renovation	482,484
Furniture and fittings	351,587
Motor vehicles	223,000
Aircond	92,197
Signage	46,790
Office equipment	3,700
	<u>2,359,058</u>

PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FPE 30 JUNE 2023 (CONT'D)

A9. ACQUISITION AND DISPOSAL OF PLANT AND EQUIPMENT (CONT'D)

The table below sets out the disposal and written off of plant and equipment during the financial period under review.

	30.6.2023
	RM
Disposal and written off of plant and equipment:	
Written off	
Computer & Software*	146,000
Renovation*	41,126
	<u>187,126</u>
Disposal	
Machineries*	<u>79,401</u>

Note:

* Write-off of plant and equipment was mainly due to change in software usage along with closure of some grocery outlets. Disposal of machines was due to cessation of production line for fruit products during the financial period.

A10. OTHER INVESTMENTS

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

A11. DEBT AND EQUITY SECURITIES

Save for the new ordinary shares in the Company issued during the current financial period under review as disclosed in Note C1, there were no issuances of debt and equity securities of the Company during the current financial period under review.

A12. CAPITAL COMMITMENTS

There were no material capital commitments as at 30 June 2023.

A13. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no material contingent assets and contingent liabilities as at 30 June 2023.



PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FPE 30 JUNE 2023 (CONT'D)

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

The Company had inadvertently paid an additional amount of RM100,000 at the end of June 2023 to a Director of the Company as repayment for the amount advanced to the Company by the Director during the FPE 30 June 2023. The fund transfer was rectified with the said amount returned to the Company subsequently.

Save for the above, there were no other 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:

The 6-month FPE 30 June 2023 (“6MFPE2023”) vs the 6-month FPE 30 June 2022 (“6MFPE2022”)

The Group’s revenue decreased by approximately RM16.46 million or 51.89% to RM15.26 million during the 6MFPE2023 (6MFPE2022: RM31.72 million) arising from the decrease in the sales of fresh fruits from all segments but mainly as follows:

- (i) decrease in sales from the distribution and retail segment, especially durian, to the Group’s customers as the Group had discontinued sales to certain major distributors; and
- (ii) decrease in the e-commerce segment as post upliftment of the movement control order, customers are more willing to purchase directly from fruit stalls as opposed to ordering online.

The gross profit of the Group decreased by RM3.40 million or 85.86% to RM0.56 million in the 6MFPE2023 (6MFPE2022: RM3.96 million) is in line with the decrease in demand of the Group’s products as well as the suppression of the selling prices of fruits as a result of surplus of fruits in the market.

The Group recorded a loss after taxation of RM10.01 million in the 6MFPE2023 (6MFPE2022: RM0.86 million) mainly due to decrease in revenue and profit margin, along with increase in allowance for impairment losses of trade receivables due to unrecoverable debts from certain trade debtors.



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

B2. PROSPECTS

The Group is undergoing restructuring of its existing business models for the fruits business wherein it will prioritise on expanding its core fruits business on distribution and retail segment as well as the retail chain store segment. Further, following the suppression of fruit selling prices during the FPE 30 June 2023 which resulted in a profit margin squeeze during the financial period, the Group is looking to reduce its variety of fruit offerings to focus on high margin products in order to improve the profitability of the Group and ensure sustainability of the business. Nevertheless, the Group still intends to maintain its other sales channels to increase source of revenue.

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 via Carzo Digital Media Sdn Bhd, the Company's wholly-owned subsidiary, under the name of "Jii-Mart". 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 operates a total of 5 grocery stores throughout Negeri Sembilan. The management will continue to evaluate the feasibility of setting up additional grocery stores in Klang Valley.

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	
	Unaudited		18-month ended	12-month ended
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	RM	RM	RM	RM
Loss attributable to owners of the Company	<u>(10,005,051)</u>	<u>(859,061)</u>	<u>(18,153,845)</u>	<u>N/A</u>
Weighted average number of ordinary shares in issue	<u>93,857,058</u>	<u>88,270,000</u>	<u>92,351,543</u>	<u>N/A</u>
Loss per share (sen)	<u>(10.66)</u>	<u>(0.97)</u>	<u>(19.66)</u>	<u>N/A</u>

The Company has not issued any dilutive potential instruments/securities and hence, the diluted earnings per share is not computed.



PART C: OTHER INFORMATION

C1. STATUS OF CORPORATE PROPOSALS

- (a) On 12 May 2022, the Company had announced the Share Issuance Scheme (“**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) (“**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 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 allotted and issued 7,142,700 units of Placement Shares as at the date of this report.

On 3 February 2023, the Company announced that it submitted an application to Bursa Securities seeking its approval for an extension of time from 23 February 2023 to 22 August 2023 for the Company to complete the implementation of the Private Placement whereby Bursa Securities had, vide its letter dated 21 February 2023, resolved to approve the application for extension of time of 6 months from 23 February 2023 until 22 August 2023 to complete the Private Placement pursuant to Rule 6.60(1) of the ACE Market Listing Requirements.

On 22 August 2023, the Company announced that the deadline for the Company to implement the Private Placement has lapsed on 22 August 2023. The Company does not wish to seek any further extension of time for the implementation of the Private Placement.

C2. BOROWINGS AND DEBT SECURITIES

The Group's borrowings as at 30 June 2023 are as follows:

	Current RM	Non-Current RM	Total RM
Secured			
Term loans	609,973	2,424,056	3,034,029
Bank overdraft	502,013	-	502,013
Banker's acceptances	6,921,897	-	6,921,897
	<u>8,033,883</u>	<u>2,424,056</u>	<u>10,457,939</u>
Unsecured			
Term loan	107,148	156,876	264,024
	<u>8,141,031</u>	<u>2,580,932</u>	<u>10,721,963</u>
		Unaudited 30.6.2023 RM	Audited 31.12.2021 RM
Total bank borrowings		10,721,963	5,914,014
Less: Deposits, bank and cash balances		(4,377,738)	(3,887,090)
		<u>6,344,225</u>	<u>2,026,924</u>

C3. MATERIAL LITIGATION

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

PART C: OTHER INFORMATION (CONT'D)

C4. UTILISATION OF PROCEEDS

- A. The Group had fully utilised the proceeds of RM3,999,912 raised from the issuance of the Placement Shares pursuant to the Private Placement as at the date of this report as follows:

Utilisation purposes	Revised allocation after the variation RM'000	Utilisation of proceeds as at 23.8.23 RM'000
Capital expenditure for the grocery business	775	650 ⁽¹⁾
Working capital requirements	3,164	3,289 ⁽¹⁾
Estimated expenses for the Private Placement	125	61
Total	4,000	4,000

Note:

- (1) The Group had varied and utilised an additional RM0.13 million allocated for the capital expenditure for the grocery business for the working capital requirements of the Group as additional working capital was required for its business operation at the time of utilisation.