



MOBILIA HOLDINGS BERHAD

Registration No. 202001004249 (1360569-P)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE
FIRST (1ST) QUARTER ENDED 31 MARCH 2022**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2022UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME ⁽¹⁾

	Individual Quarter		Cumulative Quarter	
	Unaudited Current Year Quarter 31.03.2022 RM'000	Unaudited Preceding Year Corresponding Quarter 31.03.2021 RM'000	Unaudited Current Year To Date 31.03.2022 RM'000	Unaudited Preceding Corresponding Year To Date 31.03.2021 RM'000
Revenue	25,701	25,926	25,701	25,926
Operating expenses	(20,957)	(22,318)	(20,957)	(22,318)
Other income	363	348	363	348
Finance Costs	(226)	(217)	(226)	(217)
Profit before tax	4,881	3,739	4,881	3,739
Tax expense	(1,398)	(833)	(1,398)	(833)
Profit after tax	3,483	2,906	3,483	2,906
Other comprehensive income	-	-	-	-
Total comprehensive income	3,483	2,906	3,483	2,906
Profit after tax attributable to:				
- Owners of the Company	3,483	2,906	3,483	2,906
- Non-controlling interest	-	-	-	-
	3,483	2,906	3,483	2,906
Total comprehensive income attributable to:				
- Owners of the Company	3,483	2,906	3,483	2,906
- Non-controlling interest	-	-	-	-
	3,483	2,906	3,483	2,906
Attributable to equity holders of the company:				
- Basic earnings per share (sen) ⁽²⁾	0.50	0.42	0.50	0.42
- Diluted earnings per share (sen) ⁽³⁾	0.50	0.42	0.50	0.42

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.
- (2) Basic earnings per share is calculated based on the Company's weighted average number of ordinary shares at the end of the reporting period. For comparative purpose, the earnings per share for the financial period ended 31 March 2021 had been adjusted to reflect the bonus issue of 3 for every 4 existing ordinary shares which was completed on 5 November 2021. (2022: 699,999,992 shares; 2021: 691,287,663 shares)
- (3) The diluted earnings per share is the same as basic earnings per share as the potential conversion of the Company's existing warrants is anti-dilutive. The potential conversion is anti-dilutive as the warrant's exercise price is higher than the average market price of the Company's ordinary shares.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2022UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Unaudited As at 31.03.2022 RM'000	Audited As at 31.12.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	44,019	39,373
Right-of-use assets	3,052	3,080
	<u>47,071</u>	<u>42,453</u>
Current assets		
Inventories	13,703	15,076
Trade receivables	9,441	11,274
Other receivables, deposits and prepayments	6,909	2,101
Short-term investment	8	5,049
Current tax assets	-	34
Fixed deposits with a licensed bank	8,216	7,650
Cash and bank balances	11,981	11,061
	<u>50,258</u>	<u>52,245</u>
TOTAL ASSETS	<u>97,329</u>	<u>94,698</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	36,696	36,696
Re-organisation reserve	(22,496)	(22,496)
Retained profits	42,651	39,168
TOTAL EQUITY	<u>56,851</u>	<u>53,368</u>
Non-current liabilities		
Bank borrowings	16,951	17,282
Lease liabilities	1,387	1,532
Deferred tax liabilities	2,053	1,753
	<u>20,391</u>	<u>20,567</u>
Current liabilities		
Trade payables	5,513	5,709
Other payables and accruals	3,793	7,187
Bank borrowings	9,328	7,084
Lease liabilities	803	783
Current tax liabilities	650	-
	<u>20,087</u>	<u>20,763</u>
TOTAL LIABILITIES	<u>40,478</u>	<u>41,330</u>
TOTAL EQUITY AND LIABILITIES	<u>97,329</u>	<u>94,698</u>
Net assets per ordinary share (RM) ⁽²⁾	<u>0.08</u>	<u>0.08</u>

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this interim report.
- (2) Net assets per ordinary share is calculated based on the Company's weighted average number of ordinary shares at the end of the reporting period. (2022: 699,999,992 shares; 2021: 691,287,663 shares)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

	<u>Non-distributable</u>	<u>Distributable</u>		
	Share Capital	Re- organisation Reserve	Retained Profits	Total Equity
	RM'000	RM'000	RM'000	RM'000
Unaudited				
Balance as at 1 January 2022	36,696	(22,496)	39,168	53,368
Profit after tax and total comprehensive income for the financial period	-	-	3,483	3,483
Balance as at 31 March 2022	<u>36,696</u>	<u>(22,496)</u>	<u>42,651</u>	<u>56,851</u>

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2022UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

	Unaudited Current Year To Date 31.03.2022 RM'000	Unaudited Preceding Corresponding Year To Date 31.03.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,881	3,739
Adjustments for:		
Depreciation of property, plant and equipment	485	417
Depreciation of right-of-use assets	113	88
Listing expenses	81	811
Property, plant and equipment written off	-	13
Unrealised gain on foreign exchange	(98)	(19)
Interest expenses	218	212
Interest income	(81)	(27)
Operating profit before working capital changes	5,599	5,234
Inventories	1,373	(1,712)
Trade receivables	1,833	(656)
Other receivables, deposits and prepayments	(4,808)	875
Trade payables	(196)	906
Other payables and accruals	(3,394)	(1,172)
CASH FROM OPERATIONS	407	3,475
Interest received	81	27
Tax paid	(414)	(371)
NET CASH FROM OPERATING ACTIVITIES	74	3,131
CASH FLOWS FOR INVESTING ACTIVITIES		
Addition to right-of use assets	(85)	(805)
Purchase of property, plant and equipment	(5,131)	(1,028)
NET CASH FOR INVESTING ACTIVITIES	(5,216)	(1,833)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bankers' acceptances	6,655	3,104
Drawdown of term loans	-	111
Interest paid	(218)	(212)
Increase in fixed deposit pledged	(11)	-
Payment of listing expenses	(81)	(811)
Proceeds from issuance of ordinary shares	-	13,100
Repayment of bankers' acceptances	(4,331)	(6,025)
Repayment of lease liabilities	(195)	(109)
Repayment of term loans	(411)	(396)
Addition of lease liabilities	70	670
NET CASH FROM FINANCING ACTIVITIES	1,478	9,432
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(3,664)	10,730
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	98	19
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	23,110	14,073
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	19,544	24,822
Cash and cash equivalents at end of the financial year comprises:		
Cash and bank balances	11,981	13,608
Fixed deposits with a licensed bank	8,216	11,214
Short-term investments	8	-
	20,205	24,822
Less: Fixed deposits pledged with licensed bank	(661)	-
	19,544	24,822

Notes:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the accompanying explanatory notes attached to this interim report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED
31 MARCH 2022**

**PART A – EXPLNATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING
STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING**

A1 Basis of Preparation

The interim financial report of Mobilia Holdings Berhad (“Mobilia” or “the Company”) and its subsidiary (“the Group”) are unaudited and have been prepared in accordance with MFRS 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the listing requirements.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

A2 Significant Accounting Policies

The significant accounting policies and presentation adopted for the interim financial statements are consistent with those adopted as disclosed in the Group’s annual audited financial statements for the year ended 31 December 2021.

The Group has not applied in advance the following accounting standards and/or interpretation (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the financial year ended 31 December 2021:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)		Effective Date
MFRS 17	: Insurance Contracts	1 January 2023
Amendments to MFRS 3	: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128	: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17	: Insurance Contracts	1 January 2023
Amendment to MFRS 17	: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101	: Classification of Liabilities as Current or Non- current	1 January 2023
Amendments to MFRS 101	: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116	: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020		1 January 2022

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED
31 MARCH 2022**

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group.

A3 Auditors' Report of Preceding Annual Financial Statements

The audited financial statements for the financial year ended 31 December 2021 were not subject to any qualification.

A4 Seasonal or Cyclical Factors

The nature of the Group's business were not subject to any significant seasonal and cyclical factors.

A5 Unusual Items

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

A6 Material Changes in Accounting Estimates

There were no material changes in estimates amount that have a material effect for the current financial quarter under review.

A7 Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

A8 Dividend Paid

The Board of Directors does not recommend any dividend for the current financial quarter under review.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED
31 MARCH 2022**

A9 Segmental Reporting

The Group is principally involved in designing, manufacturing and sales of home furniture products.

No product and services segment information is presented as the Group's revenue, profit or loss are mainly confined to a single operating segment, namely furniture manufacturing.

Segment assets is not presented, as all non-current assets are located in Malaysia.

Segment revenue is presented based on the geographical location of the customers.

	Individual Quarter		Cumulative Quarter	
	Unaudited 31.03.2022	Unaudited 31.03.2021	Unaudited 31.03.2022	Unaudited 31.03.2021
	RM'000	RM'000	RM'000	RM'000
America	9,751	13,899	9,751	13,899
Malaysia	7,291	7,157	7,291	7,157
Asia (excluding Malaysia)	6,393	3,705	6,393	3,705
Europe	2,062	928	2,062	928
Australasia	204	237	204	237
Total	25,701	25,926	25,701	25,926

A10 Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment in the current financial quarter under review.

A11 Capital Commitments

The material capital commitments of the Group as at 31 March 2022 were as follows:

	Unaudited As at 31.03.2022 RM'000
Contracted but not provided for	
Construction, renovation and furniture fittings of office and factory buildings	2,717
Purchase of machinery	<u>88</u>

A12 Material Subsequent Event

There are no material events subsequent to the end of the current financial period that have not been reflected in the interim financial reports for the said period as at the date of this report.

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31 MARCH 2022**

A13 Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial quarter under review.

A14 Contingent Assets or Contingent Liabilities

There were no contingent assets and contingent liabilities as at the date of this interim financial report.

A15 Significant Related Party Transactions

There were no significant related party transactions in the current financial quarter under review.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED
31 MARCH 2022PART B – EXPLNATORY NOTES PERSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Group Performance Review

(a) Results for current quarter and financial year-to-date

	<u>Individual Quarter</u>				<u>Cumulative Quarter</u>			
	Unaudited Current Year Quarter 31.03.2022 RM'000	Unaudited Preceding Year Corresponding Quarter 31.03.2021 RM'000	Changes		Unaudited Current Year To Date 31.03.2022 RM'000	Unaudited Preceding Year Corresponding Year To Date 31.03.2021 RM'000	Changes	
			RM'000	%			RM'000	%
Revenue	25,701	25,926	(225)	(0.87)	25,701	25,926	(225)	(0.87)
Profit before tax	4,881	3,739	1,142	30.54	4,881	3,739	1,142	30.54

The Group's revenue for the current financial quarter ended 31 March 2022 decreased slightly by approximately RM0.23 million or 0.87% to approximately RM25.70 million as compared to RM25.93 million in the preceding year corresponding quarter ended 31 March 2021. The decrease was mainly due to lower revenue contribution from America.

The Group's profit before tax for the current financial quarter ended 31 March 2022 increased by approximately RM1.14 million or 30.54% from RM3.74 million in the preceding financial corresponding quarter ended 31 March 2021 to RM4.88 million. The increase in profit before tax was mainly attributable to the reduction of listing expenses from approximately RM0.81 million in the preceding year corresponding quarter ended 31 March 2021 to approximately RM0.08 million in the current year quarter ended 31 March 2022 as well as strengthening of the USD against the RM whereby a majority of the Group's sales are denominated in USD.

B2 Comparison with Immediate Preceding Quarter Results

	<u>Individual Quarter</u>		<u>Changes</u>	
	Unaudited Current Quarter 31.03.2022 RM'000	Unaudited Preceding Quarter 31.12.2021 RM'000	RM'000	%
Revenue	25,701	28,137	(2,436)	(8.66)
Profit before tax	4,881	5,251	(370)	(7.05)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED
31 MARCH 2022**

The Group's revenue for the current financial quarter ended 31 March 2022 decreased by approximately RM2.44 million or 8.66% to approximately RM25.70 million as compared to RM28.14 million in the preceding financial quarter ended 31 December 2021. The decrease was mainly due to lower revenue contribution from Malaysia.

The Group's profit before tax for the current financial quarter ended 31 March 2022 decreased by approximately RM0.37 million or 7.05% to RM4.88 million as compared to RM5.25 million in the preceding financial quarter ended 31 December 2021. The reduction in profit before tax was mainly attributable to the lower revenue contribution in the current financial quarter under review.

B3 Prospect for the Current Financial Year

The Group operates within the furniture manufacturing industry in Malaysia and derives more than half of its revenue overseas. As such, the Group is exposed to risks such as disruptions to supply chains and unfavorable foreign exchange fluctuations arising from various factors including the COVID-19 pandemic and the global inflation issues and these risks may impact the Group's revenue and production costs.

In view of the above, the Group will continue to place efforts on monitoring its business and financial performance closely. Operationally, the Group will endeavor to maintain a stable supply chain as well ensuring the safety and health of its employees so as to ensure smooth manufacturing operations.

The Group will also continue its marketing efforts to expand customer base and export markets, design and development efforts to expand range of home furniture. The Group has also commenced the construction of its factory Block B and C (Phase 2) which are expected to increase the Group's production capacity as well as construction of office and showroom (Phase 1B) to set up showroom and designed D&D centre upon completion. The Group has also placed orders for new machineries which are expected to support business growth and expansion in the long term.

Taking the above into consideration, the Board is cautiously optimistic of its prospects for the financial year ending 31 December 2022.

B4 Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED
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B5 Tax Expense

	Individual Quarter		Cumulative Quarter	
	Unaudited 31.03.2022 RM'000	Unaudited 31.03.2021 RM'000	Unaudited 31.03.2022 RM'000	Unaudited 31.03.2021 RM'000
Current tax expense:				
Current financial period	1,098	833	1,098	833
(Over)/Under provision in previous financial year	-	-	-	-
	<u>1,098</u>	<u>833</u>	<u>1,098</u>	<u>833</u>
Deferred tax expense:				
Origination of temporary differences	-	-	-	-
Under provision in previous financial year	300	-	300	-
Total tax expense	<u>1,398</u>	<u>833</u>	<u>1,398</u>	<u>833</u>
Effective tax rate ⁽¹⁾	28.64%	22.28%	28.64%	22.28%

Note:

- (1) The Group's effective tax rate for the current financial quarter and financial year-to-date are higher than the statutory tax rate of 24% primarily due to under provision of deferred tax expenses in previous financial year.

B6 Status of Corporate Proposals

On 18 March 2022, the Company had entered into a conditional Sales of Shares Agreement with Tay Ah Hwa, Samin Bin Laham and Tay Khee Siah for the acquisition of the entire equity interest of H & S Usaha Jati Sdn. Bhd. for a total cash consideration of RM9.25 million. The proposed acquisition will enable the Group to secure a piece of freehold land held under GRN 90003, Lot 1145, Mukim Parit Bakar, Muar, Johor measuring approximately 4.4894 hectares which is located within 0.7km from the Group's existing manufacturing plant in Muar, Johor. As at the date of this report, the proposed acquisition has not yet been completed and is expected to be completed by the third quarter of year 2022.

Save as disclosed above, there is no other corporate proposal announced but not implemented as at the date of this report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED
31 MARCH 2022

B7 Utilisation of Proceeds Raised from the IPO

The gross proceeds arising from the IPO amounting to RM13.80 million and the status of the utilisation of the proceeds as at 31 March 2022 is stated in the following manner:

Details of Use of Proceeds	Proposed Utilisation	Actual Utilisation	Deviation	Balance	Estimated Timeframe for Utilisation Upon Listing ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000	
(1) Capital expenditure					
(a) Construction of office and showroom (Phase 1B)	2,500	(995)	-	1,505	Within 24 months
(b) Construction of Factory Blocks B and C (Phase 2)	3,300	(3,143)	-	157	Within 24 months
(c) Purchase of machineries	1,300	(893)	-	407	Within 24 months
	7,100	(5,031)	-	2,069	
(2) Repayment of borrowings	1,800	(1,800)	-	-	Within 1 month
(3) Working capital ⁽²⁾	1,900	(1,998)	98	-	Within 1 month
(4) Estimated listing ⁽²⁾ expenses	3,000	(2,902)	(98)	-	Within 1 month
	13,800	(11,731)	-	2,069	

Notes:

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities on 23 February 2021.
- (2) The surplus amount to defray listing expenses was reallocated as working capital utilisation of the Group.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED
31 MARCH 2022**

B8 Group's Borrowings and Debt Securities

The Group's borrowings are as follows:

	Unaudited As At 31.03.2022 RM'000	Unaudited As At 31.03.2021 RM'000
Non-current:		
Lease liabilities	1,387	1,675
Term loans	16,951	19,515
	18,338	21,190
Current:		
Trade bills	6,655	3,104
Lease liabilities	803	576
Term loans	2,673	1,630
	10,131	5,310
Total borrowings	28,469	26,500

B9 Material Litigation

There were no material litigation involving the Group as at 31 March 2022.

B10 Earnings Per Share

The basic and diluted earnings per share for the current financial quarter and financial year to date are computed as follows:

		Individual Quarter		Cumulative Quarter	
		Unaudited 31.03.2022 RM'000	Unaudited 31.03.2021 RM'000	Unaudited 31.03.2022 RM'000	Unaudited 31.03.2021 RM'000
Profit after tax attributable to owners of the Company	(RM)	3,483	2,906	3,483	2,906
Weighted average number of ordinary shares ('000)	(shares)	700,000	691,288	700,000	691,288
Basic earnings per share ⁽¹⁾	(sen)	0.50	0.42	0.50	0.42
Diluted earnings per share ⁽²⁾	(sen)	0.50	0.42	0.50	0.42

Notes:

- (1) Basic earnings per share is calculated based on the Company's weighted average number of ordinary shares at the end of the reporting period.
- (2) The diluted earnings per share is the same as basic earnings per share as the potential conversion of the Company's existing warrants is anti-dilutive. The potential conversion is anti-dilutive as the warrant's exercise price is higher than the average market price of the Company's ordinary shares.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED
31 MARCH 2022**

B11 Notes to the Statement of Comprehensive Income

Profit before tax is arrived at after charging/(crediting):

	Unaudited Current Quarter 31.03.2022 RM'000	Unaudited Current Year To Date 31.03.2022 RM'000
Fair value gain on financial assets measured at fair value	(8)	(8)
Interest income	(81)	(81)
Realised gain on foreign exchange	(144)	(144)
Unrealised gain on foreign exchange	(98)	(98)
Depreciation of property, plant and equipment	485	485
Depreciation of right-of-use assets	113	113
Interest expenses	218	218
Listing expenses	81	81

Other disclosure items pursuant to Rule 16 of Appendix 9B of the Listing Requirements are not applicable.

B12 Proposed Dividends

On 30 May 2022, the Board of Directors declared a first interim single tier dividend of 0.5 sen per ordinary share in respect of financial year ending 31 December 2022 to all holders of ordinary shares whose names appear in Record of Depositors at the close of business on 20 June 2022 and subsequently will be paid on 08 July 2022.

BY ORDER OF THE BOARD

MOBILIA HOLDINGS BERHAD

30 MAY 2022