



**SNOWFIT GROUP BERHAD**

(Registration No. 202101026487 (1426787-K))

(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE HALF-YEAR  
ENDED 31 MAY 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 SNOWFIT GROUP BERHAD (“SNOWFIT” 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.

**SNOWFIT GROUP BERHAD**  
(Registration No. 202101026487 (1426787-K))

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MAY 2022<sup>(1)</sup>**

	As at 31/5/2022 Unaudited RM'000	As at 31/5/2021 Audited <sup>(2)</sup> RM'000
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,299	N/A
Right-of-use assets	2,204	N/A
Goodwill	255	N/A
Total non-current assets	6,758	N/A
<b>Current assets</b>		
Inventories	2,336	N/A
Trade receivables	50	N/A
Other receivables	110	N/A
Cash and bank balances	2,783	N/A
Income tax recoverable	38	N/A
Total current assets	5,317	N/A
Total assets	12,075	N/A
<b><u>LIABILITIES AND EQUITY</u></b>		
<b>Equity</b>		
Share capital	2,732	N/A
Retained earnings	2,466	N/A
Total equity	5,198	N/A
<b>Non-current liabilities</b>		
Bank borrowings	2,258	N/A
Finance lease liabilities	843	N/A
Lease liabilities	2,154	N/A
Deferred tax liability	88	N/A
Total non-current liabilities	5,343	N/A
<b>Current liabilities</b>		
Trade payables	215	N/A
Other payables	322	N/A
Bank borrowings	997	N/A
Finance lease liabilities	-	N/A
Lease liabilities	-	N/A
Total current liabilities	1,534	N/A
Total liabilities and equity	12,075	N/A
<b>Net assets per share (sen)<sup>(3)</sup></b>	2.46	N/A

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*Notes:*

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are detailed in Note A1 and should be read in conjunction with the Audited Combined Financial Statements as disclosed in the Information Memorandum of the Company dated 20 April 2022 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *There are no comparative figures for the preceding year available as Snowfit was incorporated on 12 August 2021.*
- (3) *Net assets per share is calculated based on the Company's number of issued ordinary shares of 211,100,002 ordinary shares as at 31 May 2022.*

**SNOWFIT GROUP BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED (“FYE”) 31 MAY 2022<sup>(1)</sup>**

	Individual 6 months ended		Cumulative 12 months ended	
	31/5/2022	31/5/2021 <sup>(2)</sup>	31/5/2022	31/5/2021 <sup>(2)</sup>
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	13,801	N/A	13,801	N/A
Cost of sales	(8,296)	N/A	(8,296)	N/A
<b>Gross profit</b>	5,505	N/A	5,505	N/A
Other income	-	N/A	-	N/A
Administrative expenses	(4,824)	N/A	(4,824)	N/A
Other operating expenses	(236)	N/A	(236)	N/A
Profit from operation	445	N/A	445	N/A
Finance costs	(126)	N/A	(126)	N/A
<b>Profit before tax</b>	319	N/A	319	N/A
Income tax	(63)	N/A	(63)	N/A
<b>Profit for the financial period/year</b>	256	N/A	256	N/A
<b>Profit for the financial period/year attributable to owners of the company</b>	256	N/A	256	N/A
<b>Total comprehensive profit attributable to owners of the company</b>	256	N/A	256	N/A
<b>Earnings per share (“EPS”) (sen):</b>				
- Basic and diluted <sup>(3)</sup>	0.29	N/A	0.29	N/A

**Notes:**

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Audited Combined Financial Statements as disclosed in the Information Memorandum of the Company dated 20 April 2022 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *There are no comparative figures for the preceding year and preceding period presented as this is the first interim report on consolidated results for the current 6-month financial period ended 31 May 2022 announced in compliance with the Listing Requirements of Bursa Securities (“Listing Requirements”).*
- (3) *EPS is calculated based on the Company's weighted average number of issued shares of 87,621,097 for the financial period/year. Diluted EPS is the same as the basic EPS as there were no potential dilutive instruments.*

**SNOWFIT GROUP BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FYE 31 MAY 2022<sup>(1)</sup>**

	Non-distributable	Distributable	Total
	Share capital	Retained earnings	
	RM'000	RM'000	RM'000
<b>Balance at 12 August 2021</b>	(2)	-	-
Total comprehensive profit for the year			
Acquisition of subsidiaries	200	2,210	2,410
Profit for the year	-	256	256
Total	200	2,466	2,666
Transaction with owners, recognised directly in equity			
Issuance of ordinary shares	2,532	-	2,532
Total	2,532	-	2,532
<b>Balance at 31 May 2022</b>	2,732	2,466	5,198

*Notes:*

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Audited Combined Financial Statements as disclosed in the Information Memorandum of the Company dated 20 April 2022 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Snowfit was incorporated on 12 August 2021 with RM2.00 issued share capital comprising of 2 shares.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FYE 31 MAY 2022<sup>(1)(2)</sup>**

	12 months ended	
	31/5/2022	31/5/2021
	RM'000	RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before income tax	319	N/A
Adjustments for:		
Depreciation of property, plant and equipment	190	N/A
Depreciation of right-of-use assets	6	N/A
Interest expenses	113	N/A
Interest expenses on lease liabilities	13	N/A
Loss on foreign exchange	29	N/A
Bank charges	9	N/A
Operating profit before movement in working capital	679	N/A
Changes in working capital		
Decrease in trade and other receivables	55	N/A
Decrease in inventories	3,280	N/A
Decrease in trade and other payables	(6,731)	N/A
Interest paid	(60)	N/A
Tax paid	(373)	N/A
Net cash used in operating activities	(3,150)	N/A
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(169)	N/A
Placement of fixed deposit	(600)	N/A
Net cash used in investing activities	(769)	N/A
<b>Cash Flows From Financing Activities</b>		
Interest paid	(62)	N/A
Issuance of shares	2,532	N/A
Repayment of bank borrowings	(68)	N/A
Drawdown of finance lease liabilities	139	N/A
Repayments of finance lease payables	(66)	N/A
Repayment of lease liabilities	(70)	N/A
Net cash from financing activities	2,405	N/A

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 31 MAY 2022<sup>(1)(2)</sup>**  
**(CONT'D)**

	12 months ended	
	31/05/2022	31/05/2021
	RM'000	RM'000
Net decrease in cash and cash equivalents	(1,514)	N/A
Cash and cash equivalents at beginning of the year/period	2,854	N/A
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	-	N/A
<b>Cash and cash equivalents at end of the financial year</b>	<b>1,340<sup>(3)</sup></b>	<b>N/A</b>
<b>Cash and cash equivalents at the end of the financial year comprises:</b>		
Cash and bank balances	2,783	N/A
Less: Bank overdraft	(843)	N/A
Total cash and cash equivalents	1,940	N/A
Less: Fixed deposits pledged to licensed banks	(600)	N/A
	<b>1,340</b>	<b>N/A</b>

*Notes:*

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are detailed in Note A1 and should be read in conjunction with the Audited Combined Financial Statements as disclosed in the Information Memorandum of the Company dated 20 April 2022 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *There are no comparative figures for the preceding year as this is the first interim financial report on consolidated results for the current 6-month financial period ended 31 May 2022 announced in compliance with the Listing Requirements.*

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL FOR THE HALF-YEAR ENDED 31 MAY 2022**

**A1. BASIS OF PREPARATION**

Snowfit was incorporated in Malaysia under the Companies Act 2016 on 12 August 2021 as a public limited company.

During the current 6-month financial period ended 31 May 2022, the Company had completed the acquisition of the entire equity interest in Snowfit Malaysia for a purchase consideration of RM1,900,000. On 21 June 2022, the Company's entire issued share capital of RM4,432,002 comprising 211,100,002 shares were listed on the LEAP Market of Bursa Securities.

The interim financial statements of Snowfit and its subsidiary (the "Group") are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting.

This is the first interim financial report on the consolidated results for the current 6-month financial period ended 31 May 2022 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year and preceding period available as no interim financial report was prepared for the comparative financial period concerned.

The interim financial report should be read in conjunction with the Audited Combined Financial Statements as disclosed in the Information Memorandum of the Company dated 20 April 2022 and the accompanying explanatory notes attached to this interim financial report.

**A2. CHANGES IN ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the Audited Combined Financial Statements as disclosed in the Information Memorandum of the Company dated 20 April 2022, except for the following:

<b>MFRSs (Including the consequential amendments)</b>	<b>Effective date</b>
Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRSs 2018 - 2020 Cycle)	1 January 2022
Amendments to MFRS 3, Business Combination - Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRSs 2018 - 2020 Cycle)	1 January 2022
Amendments to MFRS 116, Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 141, Agriculture (Annual Improvements to MFRSs 2018 - 2020 Cycle)	1 January 2022
MFRS 17, Insurance Contracts	1 January 2023
Amendments to MFRS 17, Insurance Contracts	1 January 2023
Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors — Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 101, Presentation of Financial Statements — Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 10 and MFRS 128, Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice



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**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL FOR THE HALF-YEAR ENDED 31 MAY 2022 (CONT'D)****A3. SEASONAL AND CYCLICAL FACTORS**

The Group did not experience any material seasonality or cyclical effects in sales for the current 6-month financial period and financial year under review.

**A4. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS**

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current 6-month financial period and financial year under review.

**A5. MATERIAL CHANGES IN ESTIMATES**

There were no material changes in estimates in the current financial period and financial year under review.

**A6. DEBT AND EQUITY SECURITIES**

Save as disclosed below, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period and financial year:

- (i) Snowfit had on 13 December 2021 entered into a share sale agreement to acquire the entire equity interest in Snowfit Malaysia comprising 200,000 shares, which was satisfied *via* the issuance of 190,000,000 new shares in Snowfit to the shareholders of Snowfit Malaysia (“**Acquisition**”). The Acquisition was completed on 31 December 2021.

**A7. SEGMENTAL INFORMATION**

The Group’s revenue based on product segments is presented as follows:

	Individual 6 months ended				Cumulative 12 months ended			
	31/5/2022		31/5/2021		31/5/2022		31/5/2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Massage and wellness equipment	13,687	99.2	N/A	N/A	13,687	99.2	N/A	N/A
Musical instruments and accessories	114	0.8	N/A	N/A	114	0.8	N/A	N/A
<b>Total</b>	<b>13,801</b>	<b>100.0</b>	<b>N/A</b>	<b>N/A</b>	<b>13,801</b>	<b>100.0</b>	<b>N/A</b>	<b>N/A</b>

Note:

*Comparative figures for the preceding year and preceding period are not presented as this is the first interim financial report on the consolidated results for the current 6-month financial period ended 31 May 2022 being announced by the Company in compliance with the Listing Requirements.*

**A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT FINANCIAL PERIOD**

There were no material events subsequent to the end of the current 6-month financial period that have not been reflected in this interim financial report.

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**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL FOR THE HALF-YEAR ENDED 31 MAY 2022  
(CONT'D)**

**A9. CHANGES IN THE COMPOSITION OF THE GROUP**

Save as disclosed below, there were no changes in the composition of the Group for the current 6-month financial period under review:

During the current 6-month financial period under review, the Company had completed the acquisition of Snowfit Malaysia as explained in Note A1 above.

**A10. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

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

**A11. CAPITAL COMMITMENTS**

There were no material capital commitments in respect of property, plant and equipment as at 31 May 2022.

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**B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS****B1. REVIEW OF PERFORMANCE**

For the current 6-month financial period ended 31 May 2022, the Group achieved revenue of RM13.8 million. The Group's revenue was derived from the designing, marketing and retailing of massage and wellness equipment, and musical instruments and accessories, which contributed RM13.7 million and RM0.1 million respectively. The Group recorded a profit before tax of RM0.3 million for the current 6-month financial period ended 31 May 2022 after listing expenses of RM0.3 million was charged to the consolidated statement of profit and loss and other comprehensive income.

**B2. COMMENTARY ON PROSPECTS**

As disclosed in the Company's Information Memorandum dated 20 April 2022, the Group has in place the following future plan and strategy to further expand its business:

- (i) Strengthen its presence in the massage and wellness equipment industry in Malaysia

As the Group has increasingly been receiving enquiries from potential customers based in the Northern region of Peninsular Malaysia, the Group had set up an additional showroom located in Perak and had commenced operations on 23 July 2022. In addition, the Group is currently in the midst of setting up another showroom located in Penang, of which the renovations are expected to be completed in August 2022 and operations to commence within a month thereafter. The Group is confident that the additional showrooms located in Perak and Penang will allow the Group to reach out to the market in the Northern region of Peninsular Malaysia, allowing potential customers in the region to try and experience its massage and wellness equipment, which in turn will allow the Group to generate higher revenue for the financial year ending 31 May 2023.

Barring any unforeseen circumstances, the Board of Directors of the Company ("**Board**") is of the opinion that the prospects of the Group's financial performance for the financial year ending 31 May 2023 will remain favourable.

**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.

**B4. STATUS OF CORPORATE PROPOSALS**

There were no other corporate proposals announced as at the date of this report.

**B5. MATERIAL LITIGATION**

There were no material litigations pending as at the date of this announcement.

**B6. DIVIDENDS**

The Board had on 21 July 2022, declared a first interim single tier dividend of 0.17 sen per share for the FYE 31 May 2022, which will be paid on 15 August 2022 to all holders of shares whose names appear in the Record of Depositors at the close of business on 4 August 2022.

**B7. EPS**

The basic and diluted EPS for the current financial period and financial year are computed as follows:

	Individual 6 months ended		Cumulative 12 months ended	
	31/5/2022	31/5/2021	31/5/2022	31/5/2021
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	256	N/A	256	N/A
Weighted average number of ordinary shares in issue	87,621	N/A	87,621	N/A
Basic and diluted EPS (sen)	0.29	N/A	0.29	N/A

Comparative figures for the preceding year and preceding period are not presented as this is the first interim financial report on the consolidated results for the current 6-month financial period ended 31 May 2022 being announced by the Company in compliance with the Listing Requirements.