



## **CARLO RINO GROUP BERHAD**

Registration No. 200901037127 (880257-A)

(Incorporated in Malaysia under the Companies Act 1965 and deemed registered under the Companies Act 2016)

### **ADDITIONAL INFORMATION ACCOMPANYING THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

#### **(APPENDIX 6A, PART B OF THE LEAP MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)**

##### **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 CARLO RINO GROUP BERHAD ("CRG" 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 Additional Information is dated 10 September 2024

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**1. Analysis of Financial Information**

Our Group is involved in the retailing segment and the provision of investment and management services segment. Our Group's revenue is analysed as follows:

	<b>AUDITED</b>	
	<b>Financial Year Ended 30.6.2024 ("FY2024")</b>	<b>Financial Year Ended 30.6.2023 ("FY2023")</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>BUSINESS SEGMENTS</b>		
<b>Retailing</b>		
- Boutique	56,011	62,815
- Departmental store	35,261	39,218
- E-commerce	13,474	11,318
- Outright sales	93	104
- Outright sales of materials	6	7
	<b>104,845</b>	<b>113,462</b>
<b>Investment and management services</b>	-	72
<b>TOTAL</b>	<b>104,845</b>	<b>113,534</b>

**Revenue**

For current financial year under review, our Group recorded a total revenue of RM104.85 million, representing a decrease of 7.65% or RM8.69 million as compared to the preceding financial year. This decline is primarily due to a softened retail market caused by inflationary pressure and the temporary closure of certain boutiques for approximately a month for renovation. Despite the decrease in revenue from boutiques and departmental store counters, the encouraging growth in our e-commerce revenue has partially mitigated this decline. Our Group's ongoing efforts to strengthen our online brand presence contributed to a RM2.16 million increase or 19.05%, in e-commerce revenue for the current financial year under review.

Our Group had disposed our investment property located in Desa Tun Razak in FY2023, thus there is no income from investment and management services during the current financial year under review.

**Profit before tax ("PBT")**

	<b>AUDITED</b>	
	<b>FY2024</b>	<b>FY2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	104,845	113,534
PBT	26,270	31,450

Our Group's PBT for current financial year under review decreased by RM5.18 million or 16.47% as compared to the preceding financial year. The decline in our Group's PBT was in tandem with the decline in revenue. Additionally, one off listing expenses amounting to RM1.33 million and the absence of a gain on the disposal of investment property of RM1.86 million also contributed to the drop in our Group's PBT for current financial year under review.

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### 2. Prospects

Our Group expects the retail outlook and consumer sector in Malaysia to remain challenging due to current market dynamics. Nevertheless, we are optimistic about sustaining our business momentum. The government's recent announcement regarding an increase in civil servants' salaries is anticipated to boost consumer spending and positively impact the Malaysian economy.

In response to these market conditions, our Group is dedicated to navigating the evolving landscape with resilience. We will continually review and refine our business strategies to adapt to the changing market conditions.

We will continue to focus on improving operational efficiency, exploring new growth opportunities, and strengthening our competitive position. By staying agile and responsive, we aim to enhance our business performance and drive long-term value for our stakeholders.

### 3. Status of Corporate Proposals

Save as disclosed below, there were no other corporate proposals announced by our Company but pending completion as at the date of this report:

- (a) Transfer and Withdrawal of Listing - as detailed in our Company's Circular to Shareholders dated 6 December 2023; and
- (b) Issuance and allotment of new ordinary shares in the Company to Independent Non-Executive Directors of our Company pursuant to the Transfer – as detailed in our Company's Circular to Shareholders dated 9 July 2024.

### 4. Material Litigation

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

### 5. Dividends

Our Board continues to reward our shareholders with sustainable dividends. Total dividends paid out for the FY2024 amounted to RM8,056,514, i.e., RM0.01 per ordinary share.

### 6. Earnings Per Share

	<b>AUDITED</b>	
	<b>FY2024</b>	<b>FY2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to owner of our Company	19,305	23,853
Weighted average number of ordinary shares ('000)	805,651	805,651
Basic earnings per ordinary share (sen)	2.40	2.96

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**7. Related Party Transactions**

During the FY2024, our Group entered into the following related party transactions: -

1. our Company paid a total of trademark royalties of RM174,658 to Bonia International Holdings Pte Ltd (“BIH”) for the rights of use of the trademarks granted by BIH. BIH is a company where a substantial shareholder of our Company has interest; and
2. our Group paid a total rental of RM625,272 to the contractual landlord in respect of the premises located on 2<sup>nd</sup> Floor, Ikon Connaught, Lot 160, Jalan Cerdas, Taman Connaught, 56000 Kuala Lumpur, Wilayah Persekutuan, Malaysia rented from the contractual landlord, of which the ultimate ownership of the said premises belongs to a company namely Purnama Sejahtera Sdn. Bhd. where a substantial shareholder of our Company has interest.

Our Directors (save for the interested director) are of the opinion that all the above transactions were carried out on arm’s length basis, on terms which were not more favourable to the related parties than those terms transacted with other third parties, and were not to the detriment of the non-interested shareholders of our Company.