

HPP HOLDINGS BERHAD

Registration No: 201801043588 (1305620-D)
(Incorporated in Malaysia)

Unaudited Condensed Consolidated Interim Financial Report for the Second Quarter Ended 30 November 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2020⁽¹⁾

	Unaudited As at 30 November 2020 RM'000	Audited As at 31 May 2020 RM'000
ASSETS		
Non-current asset		
Property, plant and equipment	53,172	53,386
	<u>53,172</u>	<u>53,386</u>
Current assets		
Inventories	8,827	8,977
Trade receivables	29,179	17,024
Other receivables	1,419	522
Tax recoverable	80	747
Fixed deposits with licensed banks	11,755	11,033
Cash and bank balances	18,438	13,974
	<u>69,698</u>	<u>52,277</u>
TOTAL ASSETS	<u>122,870</u>	<u>105,663</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	59,952	5,500
Retained earnings	69,870	61,888
Merger deficit	(54,452)	-
Total equity attributable to owners of the Company	<u>75,370</u>	<u>67,388</u>
Non-controlling interests	2,242	1,926
Total equity	<u>77,612</u>	<u>69,314</u>
Non-current liabilities		
Borrowings	18,544	17,684
Deferred tax liabilities	5,499	5,499
	<u>24,043</u>	<u>23,183</u>
Current liabilities		
Borrowings	4,764	4,410
Lease liabilities	89	193
Trade payables	12,144	6,659
Other payables	4,018	1,893
Amount due to Directors	-	11
Tax payables	200	-
	<u>21,215</u>	<u>13,166</u>
Total liabilities	<u>45,258</u>	<u>36,349</u>
TOTAL EQUITY AND LIABILITIES	<u>122,870</u>	<u>105,663</u>
Number of issued shares ('000) ⁽²⁾	299,761	299,761
Net asset per share attributable to owner of the Company (RM)	0.25	0.22

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the prospectus of the Company dated 15 December 2020 ("**Prospectus**") and the accompanying explanatory notes attached to this interim financial report.
- (2) Based on 299,761,000 Shares after completion of the Pre-IPO Exercise as disclosed in the Prospectus.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 NOVEMBER 2020⁽¹⁾

	NOTE	Individual Quarter ended 30 November		Cumulative Quarter ended 30 November	
		2020	⁽²⁾ 2019	2020	⁽²⁾ 2019
		RM'000	RM'000	RM'000	RM'000
Revenue	A13	31,208	N/A	57,902	N/A
Cost of sales		(22,320)	N/A	(42,335)	N/A
Gross profit		8,888	N/A	15,567	N/A
Other income		551	N/A	1,137	N/A
Administrative expenses		(3,140)	N/A	(5,078)	N/A
Profit from operations		6,299	N/A	11,626	N/A
Finance costs		(181)	N/A	(444)	N/A
Profit before tax	B11	6,118	N/A	11,182	N/A
Tax expenses	B5	(1,648)	N/A	(2,884)	N/A
Profit for the financial period, representing total comprehensive income for the financial period		4,470	N/A	8,298	N/A
Total comprehensive income attributable to:					
- Owners of the Company		4,232	N/A	7,982	N/A
- Non-controlling interests		238	N/A	316	N/A
		4,470	N/A	8,298	N/A

Earnings Per Share

Basic/Diluted (Sen) ⁽³⁾	B10	⁽⁴⁾ 1.41	N/A	⁽⁴⁾ 2.66	N/A
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Notes:

- (1) The basis of preparation of the Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
 - (2) The condensed consolidated interim financial report announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"). There are no comparative figures for the preceding corresponding period as no interim financial report was prepared for the comparative financial period concerned.
 - (3) The diluted earnings per share of the Group are equivalent to the basic earnings per share as the Group does not have any convertible securities as at the end of the reporting period.
 - (4) Based on 299,761,000 Shares after completion of the Pre-IPO Exercise as disclosed in the Prospectus.
- N/A Not applicable.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 NOVEMBER 2020⁽¹⁾

	Unaudited Cumulative Quarter ended 30 November	
	2020	⁽²⁾2019
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	11,182	N/A
<i>Adjustment for:</i>		
Depreciation of property, plant and equipment	2,030	N/A
Finance costs:		
- Hire purchase liabilities	8	N/A
- Term loans	432	N/A
- Lease liability	4	N/A
Interest income	(89)	N/A
Realised gain on foreign exchange	(8)	N/A
Unrealised (gain)/ loss on foreign exchange	(73)	N/A
Operating profit before working capital changes	13,486	N/A
Change in working capital:		
Inventories	150	N/A
Receivables	(12,968)	N/A
Payables	7,517	N/A
Amount due to Directors	(11)	N/A
Cash generated from operations	8,174	N/A
Interest paid	(444)	N/A
Interest received	89	N/A
Tax paid	(2,017)	N/A
Net cash generated from operating activities	5,802	N/A
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,795)	N/A
Net cash used in investing activities	(1,795)	N/A
Cash flow from financing activities		
Drawdown of bank borrowing	1,556	N/A
Repayments of borrowing	(347)	N/A
Repayment of lease liability	(103)	N/A
Net cash generated from financing activities	1,106	N/A
Net increase in cash and cash equivalents	5,113	N/A
Cash and cash equivalents at the beginning of the financial period	25,007	N/A
Effect of exchange rate changes on cash and cash equivalents	73	N/A
Cash and cash equivalents at the end of the financial period	30,193	N/A

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to the interim financial report.
- (2) There are no comparative figures for the preceding corresponding period as no interim financial report was prepared for the comparative financial period concerned.
- N/A Not applicable.

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The condensed consolidated interim financial report is unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 *Interim Financial Reporting* and Rule 9.22 and Appendix 9B of the Listing Requirements.

This is the interim financial report on the Company’s unaudited condensed consolidated financial results for the second quarter ended 30 November 2020 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding corresponding period.

This condensed consolidated financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus and the accompanying notes attached to this condensed consolidated interim financial report.

A2. Significant Accounting Policies

Except as described below, the same accounting policies and methods of computation are followed in this condensed consolidated interim financial report as compared with the audited combined financial statements for the financial years ended (“FYE”) 31 May 2018, 2019 and 2020.

The Group has also considered the new accounting pronouncements in the preparation of the financial statements.

(i) Accounting pronouncements that are effective and adopted during the financial year

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 16	Covid-19 Related Rent Concessions
Amendments to References to the Conceptual Framework in MFRSs	

(ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted

The Group has not adopted the following accounting pronouncements that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group:

Effective for financial periods beginning on or after 1 January 2021

Amendments to MFRS 9, MFRS 7 MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
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Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRSs 2018 - 2020	

Effective for financial periods beginning on or after 1 January 2023

Amendments to MFRS 4	Insurance Contracts (Extension of the Temporary Exemption from Applying MFRS 9)
MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current

Effective date to be announced

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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A3. Auditors' Report

There was no qualified audit report issued by the auditors in the audited combined financial statements for the FYE 31 May 2018, 31 May 2019 and 31 May 2020.

A4. Seasonal or Cyclical Factors

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

A5. Exceptional items

There were no material exceptional items during the current financial quarter under review.

A6. Material Changes in Accounting Estimates

There were no material changes in estimates for the current financial quarter under review.

A7. Material Events Subsequent to the Statement of Financial Position Date

Save as disclosed below and in Note B6, there are no material event subsequent to the end of the current financial quarter under review:

The Government has re-imposed the movement control order ("**MCO**") from 13 January 2021 to 4 February 2021 in Wilayah Persekutuan, Sabah, Selangor, Penang, Johor and Melaka. As the Group's principal place of business is located in Melaka, the Group has applied and subsequently obtained approval from Ministry of International Trade and Industry ("**MITI**") to continue to operate during the MCO period. The re-imposition of MCO did not have any material impact on the operations and financial performance of the Group as at the date of this interim financial report. However, the Board of Directors ("**Board**") of the Company will continue to assess the impact of coronavirus 2019 ("**COVID-19**") on the Group's operations and financial performance and will make a relevant announcement on this, if required.

The King had also on 12 January 2021 announced and declared a state of emergency until 1 August 2021 across the country to curb and prevent further spread of COVID-19 pandemic. The declaration of a state of emergency did not have any material impact on the operations and financial performance of the Group as at the date of this interim financial report as economic activities (including the Group's business and operations) are allowed to continue to function, subject to compliance with the standard operating procedures under the MCO currently in force.

A8. Changes in Composition of the Group

Save for the Pre-IPO Exercise as disclosed in Note B6 to facilitate the Company's listing as disclosed in the Prospectus, there were no changes in the composition of the Group for the current financial quarter under review.

A9. Merger Deficit

The merger deficit arose from the difference between the carrying value of the investment and the nominal value of the shares of subsidiaries upon consolidation under the merge accounting principles.

A10. Capital Commitments

Save as disclosed below, there were no other material capital commitments incurred or known to be incurred.

	Unaudited As at 30 November 2020 RM'000	Audited As at 31 May 2020 RM'000
Approved but not contracted for:		
Purchase of property, plant and equipment	7,688	-
Approved and contracted for:		
Purchase of property, plant and equipment	(1)6,849	131
Balance committed for initial public offering expenses	1,344	2,023

Note:

- (1) This mainly relates to the acquisition of a standard format printing machine which the Company has paid cash deposits of approximately RM0.60 million in August 2020. This new standard format printing machine will cost JPY153.00 million (equivalent to approximately RM6.04 million based on the actual exchange rate of RM3.95: JPY100 on the transaction date). The remaining balance of approximately RM5.44 million will be funded via the proceeds raised from the Public Issue as detailed in Section 2.7.1 of the Prospectus.

A11. Debt and Equity Securities

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial quarter under review, except as disclosed in Notes B6 and B7.

A12. Dividend Paid

There was no dividend paid for the current financial quarter under review.

A13. Segmental Information

The segmental revenue based on products for the cumulative quarter ended 30 November 2020 is as follows:

Product	Unaudited Individual Quarter ended 30 November		Unaudited Cumulative Quarter ended 30 November	
	2020 RM'000	(1)2019 RM'000	2020 RM'000	(1)2019 RM'000
Corrugated packaging	10,802	N/A	18,761	N/A
Non-corrugated packaging	9,948	N/A	19,006	N/A
Rigid box				
– Trading	8,961	N/A	17,365	N/A
– Production	579	N/A	580	N/A
Others (brochure, leaflet, label, paper bag)	918	N/A	2,190	N/A
Total	31,208	N/A	57,902	N/A

Notes:

(1) There are no comparative figures for the preceding corresponding period available as no interim financial report was prepared for the comparative financial period concerned.

N/A Not applicable.

A14. Valuation of Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

A15. Contingent Liabilities

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

A16. Related Party Transactions

	Unaudited Individual Quarter ended 30 November		Unaudited Cumulative Quarter ended 30 November	
	2020 RM'000	(1)2019 RM'000	2020 RM'000	(1)2019 RM'000
Transactions				
A. Directors/ substantial shareholders				
Hostel rental	13	N/A	26	N/A
Purchase of sub-printing, binding and folding services	2	N/A	9	N/A
Purchase of machine spare part	1	N/A	1	N/A
B. Person connected with directors				
Insurance expenses	239	N/A	410	N/A

Notes:

(1) There are no comparative figures for the preceding corresponding quarter and period available as no interim financial report was prepared for the comparative financial period concerned.

N/A Not applicable.

A17. Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The carrying amounts of long-term floating rate borrowings approximate their fair value as the borrowings will be repriced to market interest rate on or near reporting date.

There was no gain or loss arising from fair value changes of the Group's financial liabilities for the current quarter and financial period under review.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of Financial Performance

The Group recorded a revenue of RM31.21 million and RM57.90 million in the current financial quarter and the cumulative financial quarter ended 30 November 2020 respectively. The Group's revenue is mainly attributable to sales of corrugated and non-corrugated packaging in the current financial quarter and the cumulative financial quarter ended 30 November 2020.

The Group recorded a profit before tax of RM6.12 million and RM11.18 million in the current financial quarter and cumulative financial quarter ended 30 November 2020 respectively. The Group has also incurred listing expenses of RM0.68 million in the current financial quarter.

B2. Variation of Results Against Immediate Preceding Quarter

For the current financial quarter, the Group has registered a higher revenue of RM31.21 million as compared to RM26.69 million in the preceding financial quarter. The increase in revenue of approximately 16.94% in the current financial quarter against its revenue for the preceding financial quarter was mainly due to the increase in sales of paper-based packaging to its major customers in consumer electrical and electronics ("**Consumer E&E**") industry.

The overall gross profit margin increased from 25.02% in the preceding financial quarter to 28.48% in the current financial quarter was mainly due to increase in revenue contributed by corrugated and non-corrugated packaging during the current financial quarter by 2.74% to 66.49% (previous financial quarter: 63.75%).

In line with the increase in revenue during the current financial quarter, the Group's profit before tax has increased from RM5.06 million in the previous financial quarter to RM6.12 million in the current financial quarter.

B3. Commentary on Prospects

The Group expects the delivery of a new standard format printing machine in the first quarter of 2021. This new standard format printing machine will replace one of its existing standard format printing machines which is 10 years in age. The new standard format printing machine is expected to improve printing quality and colour accuracy, reduce printing defects and wastage and will automate blanket cleaning, amongst others.

The Group intends to expand its rigid box business by acquiring an additional rigid box production line during 2021. This will double the Group's production capacity and allow the Group to secure more rigid box production orders which would enable the Group to grow this revenue source and improve the Group's financial performance moving forward.

Moving forward, the Group also intends to expand its reach to a wider customer base in both the local and overseas markets by participating in local and overseas tradeshow and exhibitions. The demand for packaging printing globally is expected to be supported by demand for consumer goods including, amongst others, Consumer E&E, food and beverages and pharmaceuticals. This is because packaging plays a significant role in the preservation and protection from physical damage of consumer products, and it is also used to provide aesthetic and branding appeal. As such, the Group sees opportunities to grow and expand its paper-based packaging printing business in these sectors overseas.

In response to the COVID-19 pandemic, the Group has and will continue to implement various precautionary measures at its factories and offices to minimise the risk of COVID-19 infections and to ensure compliance with the standard operating procedures imposed by the Government. The Group has no specific plans that are required to be implemented to ensure continuity and sustainability of its business or to address the impact of the COVID-19 pandemic. Nonetheless, the Board will continue to monitor the developments arising from the COVID-19 pandemic and will adopt the necessary strategies to mitigate any potential risks and/or seize the opportunities arising therefrom.

Based on the above, the Board is of the opinion that the Group's prospects for the financial year ending 31 May 2021 remains favourable.

B4. Profit Forecast

Not applicable as the Group does not publish any profit forecast.

B5. Tax Expense

	Unaudited Individual Quarter ended 30 November 2020		Unaudited Cumulative Quarter ended 30 November 2020	
	2020 RM'000	⁽¹⁾ 2019 RM'000	2020 RM'000	⁽¹⁾ 2019 RM'000
Recognised in profit or loss				
Current tax expense				
Current financial period	1,648	N/A	2,884	N/A
Deferred tax expense				
Current financial period	-	N/A	-	N/A
Total	1,648	N/A	2,884	N/A
Effective tax rate (%)	⁽²⁾ 26.94	N/A	⁽²⁾ 25.79	N/A

Notes:

(1) There are no comparative figures for the preceding corresponding period as no interim financial report was prepared for the comparative financial period concerned.

(2) The effective tax rate for the individual quarter and cumulative quarter ended 30 November 2020 is higher than the statutory tax rate of 24% mainly due to adjustment for non-deductible expenses.

N/A Not applicable.

B6. Status of Corporate Proposals

Pre-IPO Exercise

As part of the IPO reorganisation, the Company had on 11 November 2019 entered into 2 conditional share sale agreements ("**SSAs**") to acquire the entire issued share capital of Hayan Prints (M) Sdn Bhd and Hayan Packaging Sdn Bhd ("**Hayan Packaging**") respectively ("**Acquisitions**") as detailed below:

Company	Consideration	
	Number of shares issued	RM
Hayan Prints	269,755,000	53,951,000
Hayan Packaging	30,005,000	6,001,000
Total	299,760,000	59,952,000

The SSAs were supplemented by a letter dated 7 August 2020 to the vendors of Hayan Prints and Hayan Packaging, respectively to extend the conditional period to 31 January 2021 to fulfil the conditions precedent for the SSAs. Subsequently, the SSAs were completed on 30 November 2020.

IPO

On 29 November 2019, the Company submitted the relevant applications to the Securities Commission Malaysia (“**SC**”) and Bursa Securities in relation to the proposed initial public offering of 88,669,000 ordinary shares of the Company (“**IPO**”), and the proposed listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Securities (“**Listing**”). The total enlarged issued share capital of the Company subsequent to the IPO will be 388,430,000 ordinary shares.

Bursa Securities has, vide its letter dated 17 November 2020, approved the Company’s admission to the Official List and the listing of and quotation for its entire enlarged issued share capital on the ACE Market of Bursa Securities, subject to certain conditions.

The Listing is an exempt transaction under Section 212(8) of the Capital Markets and Services Act, 2007 and is therefore not subject to the approval of the SC. The SC has, vide its letter dated 19 November 2020, approved the resultant equity structure of the Company under the equity requirement for public listed companies pursuant to the Group’s Listing, subject to the Company allocating shares equivalent to at least 12.5% of its enlarged number of issued shares at the point of listing to Bumiputera investors. This includes the shares offered to Malaysian public via balloting, of which at least 50% are to be offered to Bumiputera public investors.

Ministry of International Trade and Industry had stated that it has taken note of and has no objection to the Listing vide its letter dated 14 January 2020.

The IPO and Listing were completed on 20 January 2021.

B7. Loans and Borrowings

The details of the Group’s borrowings are as follows:

	Unaudited As at 30 November 2020 RM’000	Audited As at 31 May 2020 RM’000
Non-current		
Term loans	18,475	17,577
Hire purchase liabilities	69	107
	18,544	17,684
Current		
Term loans	4,617	4,271
Hire purchase liabilities	147	139
	4,764	4,410
Total	23,308	22,094

All the borrowings are secured and denominated in Ringgit Malaysia.

B8. Material Litigation

There are no other material litigation pending as at the date of this interim financial report.

B9. Dividends

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

B10. Basic and Diluted Earnings Per Share

The calculation of earnings per ordinary share was based on the profit attributable to ordinary shareholders and weighted number of ordinary shares outstanding calculated as follows:

	Unaudited Individual Quarter ended 30 November 2020		Unaudited Cumulative Quarter ended 30 November 2020	
		(¹)2019		(¹)2019
Profit for the financial period attributable to owners of the Company (RM'000)	4,232	N/A	7,982	N/A
Weighted average number of ordinary shares ('000) ⁽²⁾	299,761	N/A	299,761	N/A
Basic/ diluted earnings per ordinary share (sen) ⁽³⁾	1.41	N/A	2.66	N/A
Enlarged ordinary shares in issue after IPO ('000) ⁽⁴⁾	388,430	N/A	388,430	N/A
Basic/ diluted earnings per ordinary share (sen) ⁽³⁾	1.09	N/A	2.05	N/A

Save as disclosed in Note B6 "Status of corporate proposals", the Company has no potential ordinary shares in issue as at the date of the statement of financial position. Diluted earnings per share is equal to basic earnings per share.

Notes:

- (1) There are no comparative figures for the preceding corresponding period as no interim financial report was prepared for the comparative financial period concerned.
- (2) Based on 299,761,000 shares after completion of the Pre-IPO Exercise as disclosed in the Prospectus of the Company.
- (3) The diluted earnings per share of the Group are equivalent to the basic earnings per share as the Group does not have any convertible securities as at the end of the reporting period.
- (4) Based on 388,430,000 shares after completion of the IPO as disclosed in the Prospectus.

N/A Not applicable.

B11. Profit before tax

	Unaudited Individual Quarter ended 30 November 2020		Unaudited Cumulative Quarter ended 30 November 2020	
		(¹)2019		(¹)2019
	RM'000	RM'000	RM'000	RM'000
Material expenses/(income)				
Auditor's remuneration:				
- current year	15	N/A	30	N/A
Depreciation of property, plant and equipment	1,010	N/A	2,030	N/A
Directors' remuneration:				
- Directors' fee	78	N/A	156	N/A
- Salaries, wages, allowances and bonus	186	N/A	373	N/A
- Contributions to defined contribution plan	34	N/A	69	N/A

Finance costs:				
- Hire purchase liabilities	2	N/A	8	N/A
- Term loans	177	N/A	432	N/A
- Lease liability	2	N/A	4	N/A
Interest income	(37)	N/A	(89)	N/A
Realised (gain) on foreign exchange	(3)	N/A	(8)	N/A
Rental expenses/Short-term lease rental:				
- Equipment	7	N/A	18	N/A
- Warehouse	15	N/A	59	N/A
- Hostel	27	N/A	43	N/A
Rental income	(14)	N/A	(66)	N/A
ROU assets:				
- Lease of low value assets	1	N/A	1	N/A
Staff costs:				
- Salaries, wages, allowances and bonus	2,378	N/A	4,590	N/A
- Contributions to defined contribution plan	202	N/A	400	N/A
- Contributions to social security	31	N/A	60	N/A
Unrealised gain on foreign exchange	(44)	N/A	(73)	N/A

Notes:

(1) There are no comparative figures for the preceding corresponding period as no interim financial report was prepared for the comparative financial period concerned.

N/A Not applicable.

The Group did not report any other income including investment income, provision for and write off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets and gain or loss on derivatives for the financial period under review.

B12. Utilisation of Proceeds Raised from Public Issue

The proposed utilisation of proceeds from the IPO of RM31.92 million is as follows:

Details of utilisation	Proposed utilisation RM'000	Actual utilised RM'000	Unutilised amount RM'000	Intended timeframe for utilisation upon listing
Capital expenditure and expansion	13,031	-	13,031	Within 24 months
Repayment of bank borrowings	7,783	-	7,783	Within 12 months
Working capital	5,207	-	5,207	Within 24 months
Sales and marketing expenses	2,000	-	2,000	Within 36 months
Estimated listing expenses	3,900	3,738	162	Within 3 months
Total	31,921	3,738	28,183	

The proposed utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus.

By order of the Board of Directors

26 January 2021