

HPP HOLDINGS BERHAD

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

Unaudited Condensed Consolidated Interim Financial Report for the First Quarter Ended 31 August 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 AUGUST 2021⁽¹⁾

	NOTE	Individual Quarter ended 31 August		Cumulative Quarter ended 31 August	
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Revenue	A12	18,387	26,694	18,387	26,694
Cost of sales		(13,776)	(20,015)	(13,776)	(20,015)
Gross profit		4,611	6,679	4,611	6,679
Other income		411	586	411	586
Administrative expenses		(2,188)	(1,938)	(2,188)	(1,938)
Profit from operations		2,834	5,327	2,834	5,327
Finance costs		(179)	(263)	(179)	(263)
Profit before tax	B12	2,655	5,064	2,655	5,064
Tax expense	B6	(688)	(1,236)	(688)	(1,236)
Profit and total comprehensive income for the financial period		1,967	3,828	1,967	3,828
Total comprehensive income for the financial period attributable to:					
- Owners of the Company		1,977	3,750	1,977	3,750
- Non-controlling interests		(10)	78	(10)	78
		1,967	3,828	1,967	3,828

Earnings Per Share

Basic/Diluted (Sen) ⁽²⁾	B11	0.51	0.97	0.51	0.97
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Notes:

- (1) The basis of preparation of the Unaudited Consolidated Statement of Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 May 2021 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.
- (2) The diluted earnings per share is equivalent to the basic earnings per share as the Group does not have any convertible securities as at the end of the reporting period.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2021⁽¹⁾

	NOTE	Unaudited As at 31 August 2021 RM'000	Audited As at 31 May 2021 RM'000
ASSETS			
Non-current asset			
Property, plant and equipment		57,306	57,767
		<u>57,306</u>	<u>57,767</u>
Current assets			
Inventories		13,570	13,410
Trade receivables		21,334	27,982
Other receivables		1,783	870
Tax recoverable		4,348	4,041
Short-term fund		(2)21,275	(2)21,181
Fixed deposits with licensed banks		5,826	5,801
Cash and bank balances		20,983	21,735
		<u>89,119</u>	<u>95,020</u>
TOTAL ASSETS		<u>146,425</u>	<u>152,787</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		90,208	90,208
Retained earnings		76,786	74,809
Restructuring reserve		(54,452)	(54,452)
Total equity attributable to owners of the Company		<u>112,542</u>	<u>110,565</u>
Non-controlling interests		2,051	2,061
Total equity		<u>114,593</u>	<u>112,626</u>
Non-current liabilities			
Borrowings	B8	12,036	12,826
Lease liabilities		189	256
Deferred tax liabilities		6,773	6,773
		<u>18,998</u>	<u>19,855</u>
Current liabilities			
Borrowings	B8	4,320	3,530
Lease liabilities		284	284
Trade payables		5,612	9,352
Other payables		2,609	7,123
Amount due to holding company		9	13
Tax payable		-	4
		<u>12,834</u>	<u>20,306</u>
Total liabilities		<u>31,832</u>	<u>40,161</u>
TOTAL EQUITY AND LIABILITIES		<u>146,425</u>	<u>152,787</u>
Number of issued shares ('000)		388,430	388,430
Net asset per share attributable to owners of the Company (RM)		0.29	0.28

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 Audited Consolidated Financial Statements for the financial year ended 31 May 2021 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2021 (CONT'D)

- (2) Short-term fund represents investment in highly liquid money market instrument and deposits with financial institution in Malaysia. The short-term fund is subject to an insignificant risk of change in value. The distribution income from this fund is tax exempted and is being treated as interest income by the Group and the Company.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 AUGUST 2021⁽¹⁾

	Unaudited Cumulative Quarter ended 31 August	
	2021	2020
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	2,655	5,064
<i>Adjustment for:</i>		
Depreciation of property, plant and equipment	1,101	1,021
Gain on disposal of property, plant and equipment	(35)	-
Finance costs:		
- Term loans	174	255
- Lease liabilities	5	8
Interest income	(125)	(52)
Net realised gain on foreign exchange	(11)	(5)
Net unrealised loss/(gain) on foreign exchange	10	(29)
Operating profit before working capital changes	3,774	6,262
Change in working capital:		
Inventories	(160)	260
Receivables	5,746	(11,105)
Payables	(8,252)	4,885
Amount due to directors	-	(11)
Amount due to holding company	(4)	-
Cash generated from operations	1,104	291
Interest paid	(179)	(3)
Interest received	125	52
Tax paid	(1,000)	(648)
Net cash from/(used in) operating activities	50	(308)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	35	-
Purchase of property, plant and equipment	(640)	(525)
Net cash used in investing activities	(605)	(525)
Cash flow from financing activities		
Drawdown of bank borrowing	860	1,000
Repayment of borrowings	(861)	(158)
Repayment of lease liabilities	(67)	(51)
Net cash (used in)/from financing activities	(68)	791
Net (decrease)/increase in cash and cash equivalents	(623)	(42)
Cash and cash equivalents at the beginning of the financial period	48,717	25,007
Effect of exchange rate changes on cash and cash equivalents	(10)	29
Cash and cash equivalents at the end of the financial period	48,084	24,994

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 Audited Consolidated Financial Statements for the financial year ended 31 May 2021 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

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 ACE Market Listing Requirements (“Listing Requirements”).

The condensed consolidated interim financial report should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended (“FYE”) 31 May 2021 and the accompanying explanatory notes attached to the condensed consolidated interim financial report. The explanatory notes attached to the condensed consolidated interim financial report provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the FYE 31 May 2021.

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 consolidated financial statements for the FYE 31 May 2021.

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

(i) Adoption of New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretation

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 4	Insurance Contracts (Extension of the Temporary Exemption from Applying MFRS 9)
Amendments to MFRS 9 and MFRS 7	Interest rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to References to the Conceptual Framework in MFRSs	

The adoption of the above accounting pronouncements did not have any significant effect on the financial statements of the Group.

(ii) New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretation that are issued but not yet effective and have not been early adopted

The Group has not adopted the following new MFRSs, Amendments/Improvements to MFRSs and New IC Interpretation 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 June 2020

Amendments to MFRS 16	COVID-19 - Related Rent Concessions
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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 April 2021

Amendments to MFRS 16	COVID-19 – Related Rent Concessions beyond 30 June 2021
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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
Amendments to MFRS 101 ...and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates

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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The Company will adopt the above accounting pronouncements when they become effective in the respective financial periods. These accounting pronouncements are not expected to have any effect to the financial statements of the Company upon its initial applications.

A3. Auditors' Report

There was no qualified audit report issued by the auditors in the audited consolidated financial statements for the FYE 31 May 2021.

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, there was no material event subsequent to the end of the current financial quarter under review:

On 4 September 2021, the Prime Minister announced that Melaka will move to Phase 2 of the National Recovery Plan (“**NRP**”) and with the Group’s vaccination status of 80% as at 18 September 2021, the Group is allowed to operate at 100% capacity with effect from 18 September 2021. On 29 September 2021, the Prime Minister has announced that Melaka will move to Phase 3 of the NRP with effect from 1 October 2021. Subsequently on 15 October 2021, the Prime Minister has further announced that Melaka will move to Phase 4 of the NRP with effect from 18 October 2021. As at the date of this interim financial report, the Group has achieved 100% vaccination status for all its employees.

Save as disclosed in Notes B2 and B3 below, the NRP did not have material impact on the operations and financial performance of the Group as at the date of this interim financial report as the Group continued to operate during these periods. However, the Board of Directors of the Company (“**Board**”) will continue to assess the impact of coronavirus 2019 (“**COVID-19**”) on the Group’s operations and financial performance and will make an announcement on this, if applicable.

A8. Changes in Composition of the Group

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

A9. Capital Commitments

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

	Unaudited As at 31 August 2021 RM’000	Audited As at 31 May 2021 RM’000
Approved but not contracted for:		
Purchase of property, plant and equipment	<u>6,499</u>	<u>-</u>
Approved and contracted for:		
Purchase of property, plant and equipment	<u>363</u>	<u>1,310</u>

A10. Debt and Equity Securities

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

A11. Dividend Paid

There were no dividends paid during the current financial quarter under review.

A12. Segmental Information

	Unaudited Individual Quarter ended 31 August		Unaudited Cumulative Quarter ended 31 August	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Corrugated packaging	7,442	7,960	7,442	7,960
Non-corrugated packaging	7,397	9,057	7,397	9,057
Rigid box				
– Trading	2,287	8,404	2,287	8,404
– Production	518	1	518	1
Others (brochure, leaflet, label, paper bag)	743	1,272	743	1,272
Total	18,387	26,694	18,387	26,694

A13. Valuation of Property, Plant and Equipment

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

A14. Contingent Liabilities

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

A15. Related Party Transactions

	Unaudited Individual Quarter ended 31 August		Unaudited Cumulative Quarter ended 31 August	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Transactions				
A. Directors/ substantial shareholders				
Purchase of sub-printing, binding and folding services	-	7	-	7
B. Holding Company				
Hostel rental	13	13	13	13

A16. 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.

A17. Holding Company

The Directors regard Aurora Meadow Sdn Bhd, a company incorporated in Malaysia, as the holding company.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of Financial Performance

The Group recorded a revenue of approximately RM18.39 million in the current financial quarter ended 31 August 2021 mainly contributed by the sales of paper-based packaging. The Group recorded a profit before tax of approximately RM2.66 million in the current financial quarter ended 31 August 2021.

B2. Variation of Results Against Corresponding Quarter

The Group registered a lower revenue of approximately RM18.39 million in the current financial quarter as compared to approximately RM26.69 million in the corresponding financial quarter. There was a decrease in sales of paper-based packaging to its customers mainly in the consumer electrical & electronics (“**Consumer E&E**”) and sheath contraceptive industries. The decrease in revenue by approximately 31.12% was mainly due to reduction in the Group’s operating capacity where it operated at 60% capacity in accordance with the approval obtained from Ministry of International Trade and Industry (“**MITI**”) during the current financial quarter as compared to 100% operating capacity in the corresponding financial quarter. Further, in line with the direction of Kementerian Kesihatan Malaysia, the Group temporarily ceased its operations from 3 to 13 August 2021 to carry out deep sanitisation and disinfection works at the factories and office as there were 8 COVID-19 positive cases detected at the manufacturing facilities of the Group.

The overall gross profit margin increased from approximately 25.02% in the corresponding financial quarter to approximately 25.08% in the current financial quarter as the price of paper (which is a major raw material for the Group’s production) has stabilised and the effect of the revised price structure that was previously agreed by the Group’s major customer in preceding financial period had been fully reflected in current financial period.

In line with the lower revenue, the Group also recorded a lower profit before tax of RM2.66 million in the current financial quarter as compared to approximately RM5.06 million in the corresponding financial quarter as the Group had to absorb the fixed operating costs incurred notwithstanding it was operating at a reduced capacity during the current financial quarter. Notwithstanding the above, the Group has resumed 100% operating capacity on 18 September 2021. With this, it is expected that the Group’s financial performance will improve moving forward.

B3. Variation of Results Against Immediate Preceding Quarter

The Group registered a lower revenue of approximately RM18.39 million in the current financial quarter as compared to approximately RM25.19 million in the preceding financial quarter. There was a decrease in sales of paper-based packaging to its major customers mainly in the Consumer E&E and sheath contraceptive industries. The decrease in revenue by approximately 27.00% in the current financial quarter was mainly due to reduction in the Group’s operating capacity where it operated at 60% capacity in accordance with the approval obtained from MITI during the current financial quarter. Further, in line with the direction of Kementerian Kesihatan Malaysia, the Group temporarily ceased its operations from 3 to 13 August 2021 to carry out deep sanitisation and disinfection works at the factories and office as there were 8 COVID-19 positive cases detected at the manufacturing facilities of the Group.

The overall gross profit margin increased from approximately 23.52% in the preceding financial quarter to approximately 25.08% in the current financial quarter as the price of paper (which is a major raw material for the Group’s production) has stabilised and the effect of the revised price structure that was previously agreed by the Group’s major customer in preceding financial period had been fully reflected in current financial period.

The Group recorded a lower profit before tax of approximately RM2.66 million in the current financial quarter as compared to approximately RM3.21 million in the preceding financial quarter as the Group had to absorb the fixed operating costs incurred notwithstanding it was operating at a reduced capacity during the current financial quarter. Notwithstanding the above, the Group has resumed 100% operating capacity on 18 September 2021 and it is expected that its financial performance will improve moving forward.

B4. Commentary on Prospects

In light of the uncertainties caused by the ongoing COVID-19 pandemic, the Board believes that the Group needs to be responsive to the economic and market developments, domestically, regionally and globally, as to their impact on its business. While the Group does have its business plans in place, there may be a need to improvise with these as the Group moves forward. The realities may warrant the exercise of prudence to delay certain plans in certain situation, or to modify, and even accelerate plans in order to capture growth opportunities of new positive developments, which are deemed sustainable.

According to the World Economic Outlook October 2021 published by International Monetary Fund, the global economy is projected to grow at 4.9% in 2022. The Malaysian gross domestic product's growth performance is supported mainly by the improvement in domestic demand and continued robust exports performance, particularly for electronic and electrical ("E&E") products. Consumer spending level is expected to remain constant during this pandemic as most business continue to operate and supported by the acceleration in online shopping. Taking these into account, the Board is optimistic that the prospects of E&E industry will remain positive and will augur well for the Group's business.

Moving forward, the Group will further explore new business opportunities arising from the radical shift in consumers' behaviour to online shopping. The Group will also look into expanding the range of packaging products by offering innovative solutions that would appeal to its existing customers and to attract potential new customers.

While local market demand will remain the mainstay of the Group's business, the Board envisages that there will be new opportunities arising in the ASEAN region as the global economy slowly opens up further. The Board sees that this will also give the Group further impetus for growth and the Group is well positioned to seize such opportunities to expand its paper-based packaging business.

Premised on the above, the Board is of the opinion that the Group's prospects for the financial year ending 31 May 2022 remain favourable.

B5. Profit Forecast

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

B6. Tax Expense

	Unaudited Individual Quarter ended 31 August		Unaudited Cumulative Quarter ended 31 August	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Recognised in profit or loss				
Current tax expense				
Current financial period	688	1,236	688	1,236
Deferred tax expense				
Current financial period	-	-	-	-
Total	688	1,236	688	1,236
Effective tax rate (%) ⁽¹⁾	25.91	24.41	25.91	24.41

Note:

- (1) The effective tax rate for the quarter ended 31 August 2021 and 31 August 2020 is higher than the statutory tax rate of 24% mainly due to certain expenses which are not allowed for tax deduction purposes.

B7. Status of corporate proposal announced but not completed

On 6 August 2021, Affin Hwang Investment Bank Berhad had, on behalf of the Board, announced that the Company proposed to establish an employees' share option scheme ("**ESOS**") of up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the scheme for eligible directors and employees of the Company and its subsidiary companies (excluding subsidiary companies which are dormant, if any) ("**Proposed ESOS**").

Bursa Malaysia Securities Berhad, had vide its letter dated 10 September 2021, approved the listing of and quotation for up to 15% of the total number of issued shares of the Company to be issued arising from the exercise of the ESOS options under the Proposed ESOS, subject to the conditions as set out in the Circular to the shareholders of the Company in relation to the Proposed ESOS dated 29 September 2021.

The Proposed ESOS is subject to the approval being obtained from the shareholders of the Company at the extraordinary general meeting to be convened on 29 October 2021.

Save as disclosed above, there were no other corporate proposals announced but not completed for the current financial quarter under review.

B8. Loans and Borrowings

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

	Unaudited As at 31 August 2021 RM'000	Audited As at 31 May 2021 RM'000
Non-current		
Term loans	12,036	12,826
Lease liabilities	189	256
	12,225	13,082
Current		
Term loans	4,320	3,530
Lease liabilities	284	284
	4,604	3,814
Total	16,829	16,896

All the borrowings are secured and denominated in Ringgit Malaysia.

B9. Material Litigation

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

B10. Dividends

No interim dividend was declared during the current financial quarter under review.

On 22 July 2021, the Board proposed a final single-tier dividend of 1.0 sen per ordinary share totalling RM3,884,300 payable on 30 November 2021 in respect of the FYE 31 May 2021. This final single-tier dividend is subject to the approval of the shareholders at the forthcoming 3rd Annual General Meeting of the Company.

B11. Basic and Diluted Earnings Per Share

The calculation of earnings per share for the quarter ended 31 August 2021 and 31 August 2020, was based on the profit attributable to owners of the Company and weighted number of ordinary shares in issue as follows:

	Unaudited Individual/Cumulative quarter ended 31 August	
	2021 RM'000	2020 RM'000
Profit for the financial period attributable to owners of the Company (RM'000)	<u>1,977</u>	<u>3,750</u>
Earnings per ordinary share attributable to owners of the Company		
Based on weighted average number of ordinary shares in issue during the financial period:		
No. of issued shares ('000)	388,430	(1)1
Earnings per ordinary share (sen)	<u>0.51</u>	<u>3,750</u>
Based on enlarged ordinary shares in issue after the restructuring exercise and IPO:		
No. of issued shares ('000)	388,430	388,430
Earnings per ordinary share (sen) (For illustrative purpose only)	<u>0.51</u>	<u>0.97</u>

The Group has no other potential ordinary shares in issue as at the date of the respective financial period. Diluted earnings per share is equal to basic earnings per share.

Note:

- (1) Earnings per ordinary share is calculated based on the number of issued shares of 1,000 shares which is before the restructuring exercise and the IPO.

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B12. Profit before tax

	Unaudited Individual Quarter ended 31 August 2021		Unaudited Cumulative Quarter ended 31 August 2021	
	RM'000	(¹)2020 RM'000	RM'000	(¹)2020 RM'000
Material expenses/(income)				
Auditor's remuneration:				
- current year	23	15	23	15
Depreciation of property, plant and equipment	1,101	1,021	1,101	1,021
Directors' remuneration:				
- Directors' fee	105	78	105	78
- Salaries, wages, allowances and bonus	179	187	179	187
- Contributions to defined contribution plan	34	35	34	35
Finance costs:				
- Term loans	174	255	174	255
- Lease liabilities	5	8	5	8
Loss/(gain) on disposal of property, plant and equipment	(35)	-	(35)	-
Interest income	(125)	(52)	(125)	(52)
Rental expenses/Short-term lease rental:				
- Equipment	1	11	1	11
- Warehouse	6	-	6	-
- Hostel	22	16	22	16
Rental income	-	(8)	-	(8)
Right-of-use assets:				
- Lease of low value assets	1	-	1	-
Staff costs:				
- Salaries, wages, allowances and bonus	2,097	2,211	2,097	2,211
- Contributions to defined contribution plan	210	198	210	198
- Contributions to social security	28	29	28	29
Net realised (gain)/loss on foreign exchange	(11)	-	(11)	-
Net unrealised loss/(gain) on foreign exchange	10	(29)	10	(29)

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.

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B13. Utilisation of Proceeds Raised from Public Issue

The utilisation of proceeds from the Public Issue of RM31.92 million is as follows:

Details of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Reallocation RM'000	Unutilised amount RM'000	Intended timeframe for utilisation after listing
Capital expenditure and expansion	13,031	5,972	-	7,059	Within 24 months
Repayment of bank borrowings	7,783	4,546	-	3,237	Within 12 months
Working capital	5,207	-	⁽¹⁾ (186)	5,021	Within 24 months
Sales and marketing expenses	2,000	-	-	2,000	Within 36 months
Estimated listing expenses	3,900	⁽¹⁾ 4,086	⁽¹⁾ 186	-	Within 3 months
Total	31,921	14,604	-	17,317	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus dated 15 December 2020 ("**Prospectus**").

Note:

- (1) As the actual amount incurred for listing expenses is higher than estimated, the shortfall has been funded out of the amount allocated for working capital purposes, as set out in Section 2.7.5 of the Prospectus.

By order of the Board of Directors

21 October 2021