

Pekat Group Berhad (201901011563 (1320891-U))
Interim Financial Report on Consolidated Results
for the Third Quarter Ended 30 September 2021



Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Three Months Ended		Nine Months Ended	
		30.09.2021 Unaudited RM'000	30.09.2020 Unaudited RM'000	30.09.2021 Unaudited RM'000	30.09.2020 Unaudited RM'000
Revenue		40,114	N/A	121,830	N/A
Cost of sales		(31,198)	N/A	(92,863)	N/A
Gross profit		8,916	N/A	28,967	N/A
Other income		300	N/A	801	N/A
Administrative expenses		⁽³⁾ (7,388)	N/A	⁽³⁾ (20,130)	N/A
Other expenses		(113)	N/A	(136)	N/A
Operating profit		1,715	N/A	9,502	N/A
Finance income		68	N/A	209	N/A
Finance costs		(276)	N/A	(816)	N/A
Share of profit in associates		344	N/A	348	N/A
Profit before tax		1,851	N/A	9,243	N/A
Tax expense	B5	(836)	N/A	(2,715)	N/A
Profit for the period		1,015	N/A	6,528	N/A
Other comprehensive income for the period, net of tax		-	N/A	-	N/A
Total comprehensive income for the period		1,015	N/A	6,528	N/A

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Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
(continued)

	Note	Three Months Ended		Nine Months Ended	
		30.09.2021 Unaudited RM'000	30.09.2020 Unaudited RM'000	30.09.2021 Unaudited RM'000	30.09.2020 Unaudited RM'000
Profit attributable to:					
Owners of the Company		1,000	N/A	6,587	N/A
Non-controlling interests		15	N/A	(59)	N/A
		<u>1,015</u>	<u>N/A</u>	<u>6,528</u>	<u>N/A</u>
Total comprehensive income attributable to:					
Owners of the Company		1,000	N/A	6,587	N/A
Non-controlling interests		15	N/A	(59)	N/A
		<u>1,015</u>	<u>N/A</u>	<u>6,528</u>	<u>N/A</u>
Earnings per share:					
Basic (sen)	B11	<u>0.16</u>	<u>N/A</u>	<u>1.18</u>	<u>N/A</u>
Diluted (sen)	B11	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 2 June 2021 ("Prospectus") and the accompanying explanatory notes attached to these interim financial statements.
- (2) No comparative figures for the preceding year's quarter and preceding year's corresponding period are presented as this is the third interim financial report on the consolidated results for the third financial quarter ended 30 September 2021 announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").
- (3) Including one-off listing expenses of RM1.8 million and RM1.9 million in the individual quarter and cumulative quarter ended 30 September 2021 respectively.

*N/A denotes not applicable.

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Condensed Consolidated Statement of Financial Position

	Note	30.09.2021 Unaudited RM'000	31.12.2020 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		21,127	20,073
Intangible assets		583	640
Investment in associates		6,651	2,150
Trade receivables		-	246
Total non-current assets		28,361	23,109
Current assets			
Other investments		30,423	1,159
Inventories		16,514	11,019
Trade receivables		31,229	28,921
Other receivables		2,028	3,183
Contract assets		25,261	23,971
Amount due from associates		5,356	9,240
Fixed deposits with licensed banks		15,951	9,135
Cash and bank balances		18,276	15,076
Total current assets		145,038	101,704
TOTAL ASSETS		173,399	124,813
EQUITY AND LIABILITIES			
Equity			
Share capital		93,516	50,630
Merger reserve		(50,080)	(50,080)
Retained earnings		69,843	63,256
		113,279	63,806
Non-controlling interests		56	70
Total equity		113,335	63,876

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Condensed Consolidated Statement of Financial Position (continued)

	Note	30.09.2021 Unaudited RM'000	31.12.2020 Audited RM'000
EQUITY AND LIABILITIES (continued)			
Liabilities			
Non-current liabilities			
Lease liabilities		962	392
Borrowings	B8	2,609	13,331
Deferred tax liabilities		237	237
Total non-current liabilities		3,808	13,960
Current liabilities			
Trade payables		14,903	20,184
Other payables		1,009	2,759
Contract liabilities		8,871	8,716
Lease liabilities		323	261
Borrowings	B8	30,254	13,718
Tax payable		896	1,339
Total current liabilities		56,256	46,977
Total liabilities		60,064	60,937
TOTAL EQUITY AND LIABILITIES		173,399	124,813
Net assets per share attributable to owners of the Company (RM)⁽²⁾		0.18	0.10

(1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company and the accompanying explanatory notes attached to these interim financial statements. The consolidated statements of financial position as at 31 December 2020 are based on the Accountants' Report set out in the Prospectus.

(2) Computed based on total equity divided by the number of ordinary shares outstanding of 644,968,200 after completion of the Initial Public Offering ("IPO") of the Company.

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Unaudited Condensed Consolidated Statement of Changes in Equity

	< -----Non-Distributable----- >		Distributable Retained Earnings	Attributable to Owners of the Company	Non- Controlling Interests	Total Equity
	Share Capital	Merger Reserve				
<u>Period ended 30 September 2021</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	50,630	(50,080)	63,256	63,806	70	63,876
Total comprehensive income for the period	-	-	6,587	6,587	(59)	6,528
Transaction with owners:						
Issuance of shares	44,374	-	-	44,374	-	44,374
Share issuance expenses	(1,488)	-	-	(1,488)	-	(1,488)
Subscription of shares in a subsidiary by non-controlling interests	-	-	-	-	45	45
At 30 September 2021	93,516	(50,080)	69,843	113,279	56	113,335

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company and the accompanying explanatory notes attached to these interim financial statements.

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Unaudited Condensed Consolidated Statement of Cash Flows

	Nine Months Ended	
	30.09.2021	30.09.2020
	Unaudited	Unaudited
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	9,243	N/A
Adjustments for:		
Amortisation of intangible assets	103	N/A
Depreciation of property, plant and equipment	604	N/A
Dividend income	(254)	N/A
Fair value loss on other investment	5	N/A
Interest expenses	816	N/A
Interest income	(209)	N/A
Reversal of provision for foreseeable losses	(357)	N/A
Reversal of impairment loss on trade receivables	(8)	N/A
Share of profit in associates	(349)	N/A
Unrealised gain on foreign exchange	(109)	N/A
Written off of trade receivables	32	N/A
	<hr/>	<hr/>
Operating profit before working capital changes	9,517	N/A
Changes in working capital:		
Inventories	(5,495)	N/A
Receivables	(931)	N/A
Payables	(6,922)	N/A
Contract assets or liabilities	(778)	N/A
Associates	7,997	N/A
	<hr/>	<hr/>
Cash generated from operations	3,388	N/A
Interest received	156	N/A
Tax paid	(3,158)	N/A
	<hr/>	<hr/>
Net cash from operating activities	386	N/A
INVESTING ACTIVITIES		
Acquisition of intangible assets	(46)	N/A
Acquisition of investment in associates	(4,152)	N/A
Acquisition of other investment	(29,269)	N/A
Acquisition of property, plant & equipment	(1,658)	N/A
Dividend received	254	N/A
Interest received	53	N/A
	<hr/>	<hr/>
Net cash used in investing activities	(34,818)	N/A

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Unaudited Condensed Consolidated Statement of Cash Flows (continued)

	Nine Months Ended	
	30.09.2021	30.09.2020
	Unaudited	Unaudited
	RM'000	RM'000
FINANCING ACTIVITIES		
Advances to associates	(4,113)	N/A
Placement of fixed deposits pledged with licensed bank	(6,816)	N/A
Interest paid	(816)	N/A
Net drawdown of bankers' acceptances	16,093	N/A
Net repayment of term loan	(10,279)	N/A
Net drawdown of lease liabilities	632	N/A
Proceeds from issuance of shares	44,374	N/A
Share issuance expenses	(1,488)	N/A
Proceeds from subscription of shares in a subsidiary by non-controlling interests	45	N/A
Net cash from financing activities	37,632	N/A
Net increase in cash and cash equivalents	3,200	N/A
Cash and cash equivalents at beginning of financial period	15,076	N/A
Cash and cash equivalents at end of financial period	18,276	N/A
Cash and cash equivalents included in the statement of cash flows comprise the followings:		
Cash and bank balances	18,276	N/A
Fixed deposits with licensed banks	15,951	N/A
	34,227	N/A
Less: Fixed deposits with licensed banks pledged as security for bank facilities	(15,951)	N/A
	18,276	N/A

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company and the accompanying explanatory notes attached to these interim financial statements.
- (2) No comparative figures for the preceding year's corresponding period are presented as this is the third interim financial report on the consolidated results for the third financial quarter ended 30 September 2021 announced by the Company in compliance with the Listing Requirements.

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report of Pekat Group Berhad (“Pekat” or “the Company”) and its subsidiaries (collectively known as “the Group”) have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. This interim financial report also complied with IAS 34: *Interim Financial Reporting* issued by the International Accounting Standard Board (“IASB”).

This is the third interim financial report on the Company’s unaudited condensed consolidated financial results for the third quarter ended 30 September 2021 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company and the accompanying explanatory notes are an integral part of this interim financial report.

A2. Significant Accounting Policies

Significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those as disclosed in the Accountants’ Report in the Prospectus of the Company.

At the date of authorisation of this interim financial report, the Group has not applied in advance the following accounting standards and interpretations that have been issued by the MASB but not yet effective:-

Effective for annual periods commencing on or after 1 January 2022

- Amendments to MFRSs contained in the document entitled “*Annual Improvements to MFRS Standards 2018-2020*”
- Amendments to MFRS 3: *Reference to the Conceptual Framework*
- Amendments to MFRS 116: *Proceeds before Intended Use*
- Amendments to MFRS 137: *Onerous Contracts – Cost of Fulfilling a Contract*

Effective for annual periods commencing on or after 1 January 2023

- MFRS 17: *Insurance Contracts*
- Amendments to MFRS 4: *Extension of the Temporary Exemption from Applying MFRS 9*
- Amendments to MFRS 17: *Insurance Contracts*
- Amendments to MFRS 101: *Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101: *Disclosure of Accounting Policies*
- Amendments to MFRS 108: *Definition of Accounting Estimates*
- Amendments to MFRS 112: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Deferred (date to be determined by MASB)

- Amendments to MFRS 10 and MFRS 128: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONTINUED)

A2. Significant Accounting Policies (continued)

The Group intends to adopt these new standards, amendments to the published standards and interpretations, if applicable, when they become effective. The initial application of the MFRSs and amendments to the published standards and interpretations is not expected to have any material impact on the financial statements of the Group and of the Company.

A3. Auditors' Report on Preceding Annual Financial Statements

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2020.

A4. Seasonal or Cyclical Factors

Save for certain business activities that were affected by international copper price and solar photovoltaic module price, the Group does not experience any material seasonality.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

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

A6. Changes in Estimates

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

A7. Debt and Equity Securities

There were no significant issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period under review except for the followings:-

On 11 September 2020, the Company entered into a conditional share sale agreement with Pekat Teknologi Sdn. Bhd. ("Pekat Teknologi") and its subsidiaries to acquire the entire equity interest in Pekat Teknologi for a total purchase consideration of RM50,630,000 to be satisfied via the issuance of 506,300,000 new ordinary shares at an issue price of RM0.10 per share. The acquisition of Pekat Teknologi was completed on 17 March 2021. Thereafter, Pekat Teknologi became a wholly-owned subsidiary of the Company.

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONTINUED)

A7. Debt and Equity Securities (continued)

On 2 June 2021, the Company issued its Prospectus for its initial public offering (“IPO”) comprising public issue of 138,668,000 new ordinary shares in the Company at an issue price of RM0.32 per share. The Company successfully listed its entire enlarged share capital of 644,968,200 shares on the ACE Market of Bursa Malaysia Securities Berhad on 23 June 2021.

A8. Dividend

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

A9. Segmental Reporting

Segmental information in respect of the Group’s business activities is as follow:-

Period Ended 30 September 2021 Revenue	Solar Photovoltaics RM'000	Earthing and Lightning Protection RM'000	Trading RM'000	Adjustments/ eliminations RM'000	Total RM'000
Sales to external customers	79,464	21,090	21,276	-	121,830
Inter-segment sales	1	24	20,033	(20,058)	-
	<u>79,465</u>	<u>21,114</u>	<u>41,309</u>	<u>(20,058)</u>	<u>121,830</u>
Results					RM'000
Segment profit					9,502
Finance income					209
Finance costs					(816)
Share of profit in associates					348
Profit before tax					<u>9,243</u>

No comparative figures for the preceding year’s corresponding period are presented as this is the third interim financial report on the consolidated results for the third financial quarter ended 30 September 2021 announced by the Company in compliance with the Listing Requirements.

A10. Material Events Subsequent to the End of Current Financial Period

There were no other material events subsequent to the end of current financial period under review that have not been reflected in this interim financial report.



A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONTINUED)

A11. Changes in the Composition of the Group

In addition to the pre-IPO reorganisation as disclosed under Note A7 above to facilitate the Company's listing as disclosed in the Prospectus of the Company, one of the Company's wholly owned subsidiaries, namely Pekat LEDsystems Sdn. Bhd. had on 5 July 2021 changed its name to Solaroo Systems Sdn. Bhd. ("Solaroo Systems"). Solaroo Systems will undertake business activity to design, supply and install smaller scale solar photovoltaic systems for residential, commercial and industrial projects.

On 10 September 2021, the Group had incorporated a new wholly-owned subsidiary, namely Solaroo RE Sdn. Bhd. ("Solaroo RE"). The intended principal activity of Solaroo RE is to undertake solar photovoltaic investment business activities.

Save as disclosed above, there were no changes in the composition of the Group for the current financial quarter under review.

A12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent assets at the date of this interim financial report. Contingent liabilities of the Group were as follow:-

<u>Group</u>	30.09.2021	31.12.2020
	RM'000	RM'000
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	30,056	13,739
Performance guarantee given by subsidiaries for performance of contracts to third parties	<u>738</u>	<u>738</u>
	<u>30,794</u>	<u>14,477</u>

A13. Capital Commitments

There were no capital commitments that are contracted but not provided for as at the date of this interim financial report.

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONTINUED)

A14. Significant Related Party Transactions

The Group has the following significant transactions with the related parties during the financial quarter under review:-

Related parties	Nature of transactions	30.09.2021 RM'000	30.09.2020 RM'000
Chin Soo Mau	Income from sale of solar energy	80	N/A
MFP Solar Sdn. Bhd.	Subcontractor fee for design, supply and installation of solar photovoltaic systems	19,377	N/A
Pekat Energy (Sarawak) Sdn. Bhd.	Management fee income	78	N/A
Pekat Energy (Sarawak) Sdn. Bhd.	Subcontractor fee for design, supply and installation of solar photovoltaic systems	808	N/A
Rubberex Alliance Sdn. Bhd.	Subcontractor fee for design, supply and installation of solar photovoltaic systems	2,288	N/A
Startige Corporation Sdn. Bhd.	Rental expenses of office buildings	729	N/A

MFP Solar Sdn. Bhd. is an associated company to the Group.

Pekat Energy (Sarawak) Sdn. Bhd. is an associated company in which a Director is also a Director of the Company.

Rubberex Alliance Sdn. Bhd. is a related party in which a substantial shareholder of the Company has interest.

Startige Corporation Sdn. Bhd. is a related party in which certain Directors are also the Directors of the Company.

The Directors are of the opinion that all the above transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Note:-

- (1) No comparative figures for the preceding year's corresponding period are presented as this is the third interim financial report on the consolidated results for the third financial quarter ended 30 September 2021 announced by the Company in compliance with the Listing Requirements.



B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Group's Performance

The Group recorded revenue of RM121.8 million for the period under review, of which RM79.4 million was contributed by solar photovoltaics ("PV") segment, RM21.1 million was from earthing and lightning protection ("E&LP") segment and RM21.3 million was from trading segment.

For the period under review, the Group's administrative expenses amounted to RM20.1 million, comprise of mainly staff costs and one-off listing expenses of RM1.9 million. The Group had also incurred finance costs of RM0.8 million mainly to finance purchases of solar panel. Other income of RM0.8 million was mainly contributed by dividend from other investments, dividend from an associated company and unrealised gain on foreign exchange while share of profit of RM0.3 million came from the investment in associates. For the period under review, the Group recorded profit before tax of RM9.2 million.

B2. Comparison with Immediate Preceding Quarter Results

	Quarter Ended		Changes	
	30.09.2021 RM'000	30.06.2021 RM'000	RM'000	%
Revenue	40,114	40,055	59	0.1
Profit before tax	1,851	1,477	374	25.3

For the quarter under review, the Group's revenue increased slightly by RM0.1 million or 0.1% to RM40.1 million. The Group achieved profit before tax of RM1.9 million, RM0.4 million or 25.3% above preceding quarter mainly due to higher gross profit of RM0.7 million over the preceding quarter, contributed by projects with higher margin.

The Group's non-listing related administration expenses decreased by RM1.2 million due to certain non-recurring expenses incurred in the preceding quarter. Share of profit in associates had increased by RM0.5 million as the associates have resumed operations since the movement control order was lifted. However, the decrease in non-listing related administration expenses and the increase in share of profit in associates were offset by one-off listing expenses of RM1.8 million.

B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B3. Commentary on Prospects

The Malaysian Government is devoted to its commitment to achieve net-zero carbon emissions by 2050 and has addressed this matter in its recently announced 12th Malaysia Plan. The Malaysian Government has set ambitious targets such as to reduce greenhouse gases by 45% by 2030 in line with the 2015 Paris Agreement targets as well as to reach 31% of renewable energy in the national energy capacity by 2025. As such, the outlook of solar PV industry in Malaysia remains positive in view of the government's dedication in promoting green growth and its implementation of strategies and initiatives along the way of this journey.

Apart from commercial and industrial projects, the Group has seen an increase in the uptake of solar PV systems by homeowners under the Net Energy Metering Rakyat Program. In consideration of the increasing interests and the growing residential market, the residential customer segment is now headed by a dedicated business unit consists of Solaroo System and Solaroo RE.

In addition, the Group started to have a recurring revenue stream from the Power Purchase Agreement ("PPA") signed by its associate, namely MFP Solar Sdn. Bhd. The power generation of both the 1.5MWp solar power plant at VAT manufacturing's facility and 12.1MWp solar power plant at Proton's manufacturing facility have started and this provides the Group a consistent source of revenue for several years down the road through its share of profit in MFP Solar Sdn. Bhd.

For Large Scale Solar's ("LSS") development, the Group is tendering for some subcontractor works under LSS@ME nTARI programme and is hopeful to secure a few subcontractor projects. Upon securing and completion of the projects, the Group will have the necessary reference for LSS project's execution which will benefit the Group in tendering for future LSS projects.

As the fight against Covid-19 shifts into high gear accompanied by the gradual movements into Phase 4 of the National Recovery Plan, the Board is also optimistic on the prospect of the construction industry. The mandatory enforcement on the safety standards of lightning protection systems in the nation issued by the Energy Commission of Malaysia has opened more opportunities to the Group and hence the E&LP business will continue to be in the Group's main focus and strategic planning alongside with our solar PV business.

For the financial period under review, the Group's unbilled order book amounted to RM169.9 million which will contribute progressively to the Group's revenue for the financial years to come.

The Group will continue to remain vigilant and take precautionary measures to safeguard its staff well-being and minimise disruptions to its supply chain to address the uncontrollable factors and challenges during this Covid-19 pandemic.

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B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B4. Profit Forecast

The Group has not issued any profit forecast during the current financial period under review.

B5. Tax Expense

	Three Months Ended		Nine Months Ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Current tax	836	N/A	2,715	N/A
Deferred tax	-	N/A	-	N/A
Total tax expense	<u>836</u>	<u>N/A</u>	<u>2,715</u>	<u>N/A</u>
Effective tax rate (%)	45.2	N/A	29.4	N/A

Notes:-

- (1) The effective tax rate of the Group for the current quarter/period under review was at 45.2% and 29.4% respectively which were higher than the statutory tax rate of 24% mainly due to non-tax deductible expenses such as listing expenses.
- (2) No comparative figures for the preceding year's quarter and preceding year's corresponding period are presented as this is the third interim financial report on the consolidated results for the third financial quarter ended 30 September 2021 announced by the Company in compliance with the Listing Requirements.

B6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this interim financial report.

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B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B7. Use of Proceeds Raised from IPO

The Company has raised gross proceeds of RM44.37 million from the IPO exercise and they are proposed to be utilised as follow:-

Details of use of proceeds	Proposed utilisation RM'000	Actual utilisation RM'000	Deviation in actual utilisation RM'000	Balance to be utilised RM'000	Estimated timeframe for the use of proceeds upon Listing
(i) Construction of new head office and operational facility	18,000	-	-	18,000	March 2023
(ii) Working capital	12,674	(4,094)	173	8,753	Within 12 months
(iii) Repayment of bank borrowings	10,000	(10,000)	-	-	Within 3 months
(iv) Listing expenses	3,700	(3,527)	(173)	-	Within 1 month
	<u>44,374</u>	<u>(17,621)</u>	<u>-</u>	<u>26,753</u>	

The use of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company.



B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B8. Borrowings

The details of the Group's borrowings are as follow:-

	30.09.2021	31.12.2020
	RM'000	RM'000
Current liabilities		
<u>Secured:-</u>		
Bankers' acceptances	29,318	13,225
Term loan	936	493
	<u>30,254</u>	<u>13,718</u>
Non-current liabilities		
<u>Secured:-</u>		
Term loan	2,609	13,331
Total borrowings	<u>32,863</u>	<u>27,049</u>

B9. Material Litigation

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

B10. Dividend

The Board of Directors did not declare or recommend any dividend for the current financial period under review.



B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B11. Earnings Per Share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to owners of the Company by weighted average number of ordinary shares in issue during the period:-

	Three Months Ended		Nine Months Ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
Profit attributable to owners of the Company (RM'000)	1,000	N/A	6,587	N/A
Weighted average number of shares in issue (Unit'000)	644,968	N/A	557,094	N/A
Basic earnings per share (sen)	<u>0.16</u>	<u>N/A</u>	<u>1.18</u>	<u>N/A</u>

(b) Diluted earnings per share

Not applicable. The Group does not have any financial instrument which may dilute its earnings per share.

Note:-

- (1) No comparative figures for the preceding year's quarter and preceding year's corresponding period are presented as this is the third interim financial report on the consolidated results for the third financial quarter ended 30 September 2021 announced by the Company in compliance with the Listing Requirements.

B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B12. Notes to Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

Profit for the period was derived after taking into consideration of the following:-

	Three Months Ended		Nine Months Ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
After crediting:-				
Dividend income	(130)	N/A	(254)	N/A
Interest income	(68)	N/A	(209)	N/A
Reversal of provision for foreseeable losses	(2)	N/A	(357)	N/A
Reversal of impairment loss on trade receivables	-	N/A	(8)	N/A
Share of profit in associates	(345)	N/A	(349)	N/A
Unrealised gain on foreign exchange	(77)	N/A	(109)	N/A
After charging:-				
Amortisation of intangible assets	36	N/A	103	N/A
Depreciation of property, plant and equipment	217	N/A	604	N/A
Fair value loss on other investment	2	N/A	5	N/A
Interest expenses	276	N/A	816	N/A
Written off of trade receivables	12	N/A	32	N/A

Notes:-

- (1) No comparative figures for the preceding year's quarter and preceding year's corresponding period are presented as this is the third interim financial report on the consolidated results for the third financial quarter ended 30 September 2021 announced by the Company in compliance with the Listing Requirements.

B13. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors on 22 November 2021.