



HAILY GROUP BERHAD

(Registration No. 202001006412 (1362732-T))
(Incorporated in Malaysia)

**Unaudited Interim Financial Report
For The Second Quarter Ended
30 June 2021**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME ⁽¹⁾

	Note	QUARTER ENDED		YEAR-TO-DATE ENDED	
		30.06.2021	30.06.2020 ⁽²⁾	30.06.2021	30.06.2020 ⁽²⁾
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	28,600	N/A	71,895	N/A
Cost of sales		(23,856)	N/A	(60,248)	N/A
Gross profit		4,744	N/A	11,647	N/A
Other income		64	N/A	139	N/A
Administrative expenses		(3,427)	N/A	(6,610)	N/A
Operating profit		1,381	N/A	5,176	N/A
Finance costs		(100)	N/A	(175)	N/A
Profit before tax	B12	1,281	N/A	5,001	N/A
Income tax expense	B5	(474)	N/A	(1,397)	N/A
Profit for the financial period, representing total comprehensive income for the financial period		807	N/A	3,604	N/A
Profit attributable to:					
Owners of the Company		807	N/A	3,604	N/A
Non-controlling Interest		-	N/A	-	N/A
		807	N/A	3,604	N/A
Earnings Per Share attributable to owners of the Company (sen)⁽³⁾					
Basic/Diluted	B11	0.54 ⁽⁴⁾	N/A	2.43 ⁽⁴⁾	N/A

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 30 June 2021 ("**Prospectus**") issued in relation to the initial public offering ("**IPO**") and the listing of the Company's entire issued share capital on the ACE Market of Bursa Malaysia Securities Berhad ("**Listing**") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). As the Company was only listed on the ACE Market of Bursa Securities on 21 July 2021, there are no comparative figures for the preceding year's corresponding quarter and year-to-date as no interim financial report was prepared for the financial period concerned.
- (3) The diluted earnings per share of the Company for the current quarter and financial year-to-date are equivalent to the basic earnings per share as the Company does not have any convertible securities as at the end of the reporting period.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME ⁽¹⁾ (CONT'D)

Notes: (Cont'd)

(4) Computation of basic/diluted earnings per share is based on the Profit attributable to owners of the Company divided by the number of shares in issue. The number of shares in issue is 148,320,700 shares as disclosed in Note B11.

N/A Not applicable

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

		As at 30.06.2021	As at 31.12.2020
	Note	Unaudited RM'000	Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		3,644	4,116
Goodwill		118	118
Other investments		2,272	1,818
Total non-current assets		<u>6,034</u>	<u>6,052</u>
Current assets			
Current tax assets		4	1
Trade and other receivables		73,172	73,911
Contract assets		28,890	29,677
Cash and short-term deposits		18,168	27,154
Total current assets		<u>120,234</u>	<u>130,743</u>
TOTAL ASSETS		<u>126,268</u>	<u>136,795</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Group			
Share capital		41,530	41,530
Reorganisation reserve		(40,030)	(40,030)
Retained earnings		54,078	50,474
TOTAL EQUITY		<u>55,578</u>	<u>51,974</u>
Non-current liabilities			
Loans and borrowings	B8	762	1,102
Deferred tax liabilities		187	187
Total non-current liabilities		<u>949</u>	<u>1,289</u>
Current liabilities			
Loans and borrowings	B8	7,781	6,468
Current tax liabilities		845	1,054
Trade and other payables		59,541	73,050
Contract liabilities		1,574	2,960
Total current liabilities		<u>69,741</u>	<u>83,532</u>
TOTAL LIABILITIES		<u>70,690</u>	<u>84,821</u>
TOTAL EQUITY AND LIABILITIES		<u>126,268</u>	<u>136,795</u>
Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾		<u>0.37</u>	<u>0.35</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾
(CONT'D)**

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 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the Company's issued share capital as at 30 June 2021 of 148,320,700 shares (31 December 2020: 148,320,700 shares).

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾⁽²⁾

	<----- Attributable to owners of the Company ----->			Total Equity RM'000
	Non-distributable		Distributable	
	Share Capital RM'000	Reorganisation Reserve RM'000	Retained Earnings RM'000	
Balance as at 1 January 2021 (Audited)	41,530	(40,030)	50,474	51,974
Profit for the financial period, representing total comprehensive income for the financial period	-	-	3,604	3,604
Balance as at 30 June 2021 (Unaudited)	41,530	(40,030)	54,078	55,578

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity 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) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 21 July 2021, there are no comparative figures for the preceding year's corresponding period as no interim financial report was prepared for the financial period concerned.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	CURRENT YEAR TO-DATE <u>30.6.2021</u> Unaudited RM'000	PRECEDING YEAR TO-DATE <u>30.6.2020⁽²⁾</u> Unaudited RM'000
Cash flows from operating activities		
Profit before tax	5,001	N/A
Adjustments for:		
Depreciation of property, plant and equipment	642	N/A
Finance income	(101)	N/A
Finance costs	175	N/A
Operating profit before changes in working capital	<u>5,717</u>	<u>N/A</u>
<u>Changes in working capital:</u>		
Trade and other receivables	739	N/A
Contract assets	788	N/A
Trade and other payables	(13,510)	N/A
Contract liabilities	(1,386)	N/A
Net cash used in operations	<u>(7,652)</u>	<u>N/A</u>
Income tax paid	(1,609)	N/A
Interest paid	(113)	N/A
Net cash flows used in operating activities	<u>(9,374)</u>	<u>N/A</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(169)	N/A
Purchase of other investments	(455)	N/A
Change in pledged deposits	(178)	N/A
Interest received	101	N/A
Net cash flows used in investing activities	<u>(701)</u>	<u>N/A</u>
Cash flows from financing activities		
Repayment of lease liabilities	(447)	N/A
Interest paid	(62)	N/A
Net cash flows used in financing activities	<u>(509)</u>	<u>N/A</u>
Net decrease in cash and cash equivalents	<u>(10,584)</u>	<u>N/A</u>
Cash and cash equivalents at the beginning of the financial period	<u>21,315</u>	<u>N/A</u>
Cash and cash equivalents at the end of the financial period	<u>10,731</u>	<u>N/A</u>
Cash and cash equivalents at the end of the financial period comprises:		
Short-term deposits	1,398	N/A
Less: Pledged deposits	(1,398)	N/A
	-	N/A
Cash and bank balances	16,770	N/A
Bank overdrafts	(6,039)	N/A
	<u>10,731</u>	<u>N/A</u>

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are 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) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 21 July 2021, there are no comparative figures for the preceding year's corresponding period as no interim financial report was prepared for the financial period concerned.
- N/A Not applicable

A. EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report of Haily Group Berhad (“Haily” or “Company”) and its subsidiaries (“Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No 134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities.

This is the second interim financial report on the Company’s unaudited condensed consolidated financial results for the second quarter ended 30 June 2021 announced by the Company in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 21 July 2021, there are no comparative figures for the preceding year’s corresponding quarter and year-to-date as no interim financial report was prepared for the financial period concerned.

This interim financial report 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.

A2. Significant Accounting Policies

The significant accounting policies and presentations adopted by the Group in this interim financial report are consistent with those adopted in the preparation of the Accountants’ Report as disclosed in the Prospectus:

- (a) the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):

MFRSs and/or IC Interpretations (including the consequential amendments)	Effective Date
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4, MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s interim financial report.

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A. EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A2. Significant Accounting Policies (Cont'd)

- (b) The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial period:

MFRSs and/or IC Interpretations (including the consequential amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

A3. Auditors’ Report on Preceding Annual Financial Statements

There was no qualification on the audited financial statements of the Company for the financial year ended 31 December 2020.

A4. Seasonal or Cyclical Factors

The Group’s business operations has not been materially affected by any seasonal or cyclical factors.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter and financial year-to-date.

A6. Changes in Estimates

There were no material changes in estimates for the current quarter and financial year-to-date.

A. EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A7. Debt and Equity Securities

There were no issuances, repurchases or repayments of debt and equity securities during/ subsequent to the current financial quarter except for new shares issued and listed on 21 July 2021 under the public issue of 30,000,000 new ordinary shares in Haily (“**Public Issue**”) in conjunction with its IPO as follows:

	No. of shares	RM
Issued share capital as at 1 January 2021/ 30 June 2021	148,320,700	41,529,868
New shares issued pursuant to the Public Issue	30,000,000	20,400,000
Enlarged share capital upon Listing on 21 July 2021	178,320,700	61,929,868

Further details of the IPO are set out in Note A11 herein.

A8. Dividend Paid

No dividends have been paid in the current quarter and financial year-to-date.

A9. Segmental Information

The Group prepared the following segmental information based on the internal reports of the Group’s strategic business units which are regularly reviewed by the directors for the purpose of making decision about resource allocation and performance assessment. The 2 reportable operating segments are as follows: -

Segments	Product and services
Building construction	Building construction of residential and non-residential buildings
Others	Civil engineering construction works and rental of construction machinery and equipment

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A. EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A9. Segmental Information (Cont'd)

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.6.2021	30.6.2020 ⁽¹⁾	30.6.2021	30.6.2020 ⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue:				
Revenue from external customers:				
Building construction	28,501	N/A	71,708	N/A
Others	99	N/A	187	N/A
Adjustment and eliminations	-	N/A	-	N/A
	<u>28,600</u>	<u>N/A</u>	<u>71,895</u>	<u>N/A</u>
Inter-segment revenue:				
Building construction	-	N/A	-	N/A
Others	341	N/A	838	N/A
Adjustment and eliminations	(341)	N/A	(838)	N/A
	<u>-</u>	<u>N/A</u>	<u>-</u>	<u>N/A</u>
Total:				
Building construction	28,501	N/A	71,708	N/A
Others	440	N/A	1,025	N/A
Adjustment and eliminations	(341)	N/A	(838)	N/A
	<u>28,600</u>	<u>N/A</u>	<u>71,895</u>	<u>N/A</u>
Segment profit:				
Building construction	4,743	N/A	11,638	N/A
Others	1	N/A	9	N/A
Adjustment and eliminations	-	N/A	-	N/A
	<u>4,744</u>	<u>N/A</u>	<u>11,647</u>	<u>N/A</u>
Other income	64	N/A	139	N/A
Unallocated expenses	(3,427)	N/A	(6,610)	N/A
Finance costs	(100)	N/A	(175)	N/A
Income tax expense	(474)	N/A	(1,397)	N/A
Profit for the financial quarter/ period ("PAT")	<u>807</u>	<u>N/A</u>	<u>3,604</u>	<u>N/A</u>

Notes:

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 21 July 2021, there are no comparative figures for the preceding year's corresponding quarter and year-to-date as no interim financial report was prepared for the financial period concerned.

N/A Not applicable

A10. Valuation of property, plant and equipment

There was no valuation of property, plant and equipment in the current quarter and financial year-to-date.

A. EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A11. Material Subsequent Events

In conjunction with the Company's Listing, the Company had on 30 June 2021 issued its Prospectus in relation to the IPO which entailed the following:

- (1) Public issue of 30,000,000 new ordinary shares in the following manner:
 - 8,920,000 new ordinary shares for application by the Malaysian public;
 - 10,000,000 new ordinary shares for application by its eligible Directors, employees and persons who have contributed to the success of the Group;
 - 11,080,000 new ordinary shares by way of private placement to selected investors; and

- (2) Offer for sale of 18,000,000 existing ordinary shares by way of private placement to selected investors;

at an issue/offer price of RM0.68 per share.

Upon completion of the IPO on 21 July 2021, the Company was admitted to the Official List of Bursa Securities and the Company's entire enlarged issued share capital of 178,320,700 shares are listed and quoted on the ACE Market of Bursa Securities.

Save as disclosed above, there is no other material event subsequent to the end of the current quarter and financial year-to-date which has not been reflected in this interim financial report as at the date of this report.

A12. Changes in the Composition of the Group

There was no change in the composition of the Group during the current quarter and financial year-to-date.

A13. Contingent Assets and Contingent Liabilities

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

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A. EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A14. Significant Related Party Transaction

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.6.2021	30.6.2020 ⁽¹⁾	30.6.2021	30.6.2020 ⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Related expenses paid to the holding company	60	N/A	120	N/A

Notes:

(1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 21 July 2021, there are no comparative figures for the preceding year's corresponding quarter and year-to-date as no interim financial report was prepared for the financial period concerned.

N/A Not applicable

A15. Capital Commitments

There were no material capital commitments in respect of property, plant and equipment as at the end of the current quarter and year-to-date.

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B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Group Performance

	QUARTER ENDED		Changes %	YEAR-TO-DATE ENDED		Changes %
	30.06.2021 Unaudited RM'000	30.6.2020 ⁽¹⁾ Unaudited RM'000		30.06.2021 Unaudited RM'000	30.6.2020 ⁽¹⁾ Unaudited RM'000	
Revenue	28,600	N/A	N/A	71,895	N/A	N/A
Gross profit	4,744	N/A	N/A	11,647	N/A	N/A
Profit before tax	1,281	N/A	N/A	5,001	N/A	N/A
PAT	807	N/A	N/A	3,604	N/A	N/A
Profit attributable to owners of the Company	807	N/A	N/A	3,604	N/A	N/A

Notes:

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 21 July 2021, there are no comparative figures for the preceding year's corresponding quarter and year-to-date as no interim financial report was prepared for the financial period concerned.

N/A Not applicable

For the second quarter ended 30 June 2021, the Group recorded a revenue of RM28.60 million of which the on-going projects, namely Bandar Jaya Putra Project, 185 DSTH Meridin East – Parcel 1I Project, 122 DSTH Bandar Putra Project, AME Dormitory Project and 264 DSTH Bandar Jaya Putra Project collectively contributed approximately 83.51% of the total revenue. Gross profit of RM4.74 million, profit before tax of RM1.28 million and PAT of RM0.81 million were registered by the Group for the quarter under review.

The Group recorded a revenue of RM71.90 million, gross profit of RM11.65 million, profit before tax of RM5.00 million and PAT of RM3.60 million for the financial year-to-date ended 30 June 2021. The Group's revenue was mainly attributable to its building construction activities totalling RM71.71 million, of which residential and non-residential building construction accounted for 62.65% and 37.09% of the Group's total revenue respectively. The balance of RM0.19 million representing 0.26% of the total revenue for the financial year-to-date ended 30 June 2021 was derived from its civil engineering construction works.

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B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B2. Comparison with Immediate Preceding Quarter's Result

	QUARTER ENDED		Changes
	30.06.2021	31.03.2021	
	Unaudited RM'000	Unaudited RM'000	%
Revenue	28,600	43,295	(33.94)
Gross profit	4,744	6,903	(31.28)
Profit before tax	1,281	3,720	(65.56)
PAT	807	2,797	(71.15)
Profit attributable to owners of the Company	807	2,797	(71.15)

For the quarter ended 30 June 2021, the Group registered a lower revenue of RM28.60 million as compared to RM43.30 million for the preceding quarter. The Group's gross profit, profit before tax and PAT for the current quarter has also decreased by 31.28%, 65.56% and 71.15% respectively as compared to the result for the immediate preceding quarter.

The lower revenue and profits registered for the current quarter were mainly due to the imposition of a three-phase nationwide lockdown (Full MCO 3.0) announced by the Government of Malaysia on 28 May 2021 (which was subsequently replaced by a four-phase National Recovery Plan effective from 15 June 2021). As the construction industry was not regarded as an essential service, all our on-site construction activities were suspended from 1 June 2021 notwithstanding that the Group had on 2 June 2021 submitted our application to MITI for resumption of works. The Group has progressively resumed on-site construction activities for its building construction projects from 26 July 2021 onwards following approvals granted by the Ministry of International Trade and Industry.

B3. Prospects

As disclosed in the Prospectus of the Company dated 30 June 2021, the Group's business strategies and plans are as follows:

- (i) The Group intends to focus on its core competency in building construction in Johor;
- (ii) Expand into other districts in Johor i.e., from Johor Bahru and Kulai districts into other districts in Johor. The Group will continue to focus on residential building construction while expanding into industrial building construction; and
- (iii) Purchase new construction machinery and equipment as well as contract management and accounting software and office equipment mainly to facilitate better scheduling of construction work for concurrent usage and in anticipation of future growth.

According to Economic and Monetary Review 2020 published by BNM on 31 March 2021, Malaysia's economy is expected to grow within a range of 6.0% to 7.5% while the construction industry is expected to grow by 13.4% in 2021 (Source: BNM, as extracted from the Prospectus dated 30 June 2021).

In light of the uncertainties arising from COVID-19, the Group remains cautiously optimistic of its prospects and the outlook of the construction industry with the expected recovery by the end of the current financial year. Nevertheless, the Group has persevered thus far and the Group views that its financial results for the financial year ending 31 December 2021 will remain favourable.

B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B4. Variance of Actual Profit from Profit Forecast or Profit Guarantee

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

B5. Income Tax Expense

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.06.2021 Unaudited RM'000	30.06.2020 ⁽¹⁾ Unaudited RM'000	30.06.2021 Unaudited RM'000	30.06.2020 ⁽¹⁾ Unaudited RM'000
Income tax - current period	474	N/A	1,397	N/A
Deferred tax	-	N/A	-	N/A
Total income tax expense	474	N/A	1,397	N/A
Effective tax rate ⁽²⁾ (%)	37.00	N/A	27.93	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Notes:

(1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 21 July 2021, there are no comparative figures for the preceding year's corresponding quarter and year-to-date as no interim financial report was prepared for the financial period concerned.

(2) The effective tax rate for the current quarter and financial year-to-date were higher than the statutory tax rate mainly due to adjustments for non-deductible expenses.

N/A Not applicable

B6. Status of Corporate Proposals

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

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B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B7. Status of Utilisation of Proceeds Raised from the IPO

The gross proceeds from the IPO which was completed on 21 July 2021 as disclosed in Note A11 amounting to RM20.40 million and the status of utilisation of proceeds as at 30 June 2021 is stated in the following manner:

	Proposed utilisation RM'000	Actual Utilisation RM'000	Unutilised amount RM'000	Intended time frame for utilisation upon Listing⁽¹⁾
Purchase of construction machinery, equipment as well as new contract management and accounting software and office equipment	4,200	-	4,200	Within 24 months
Working capital for construction projects	6,000	-	6,000	Within 24 months
Repayment of bank borrowings	7,000	-	7,000	Within 3 months
Estimated Listing expenses ⁽²⁾	3,200	-	3,200	Within 3 months
Total	20,400	-	20,400	

Notes:

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities. The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company.
- (2) As at the date of this interim report, approximately RM1.90 million listing expenses has been incurred.

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B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B8. Loans and Borrowings

The details of the Group's loans and borrowings were as follows:

	30.6.2021 Unaudited RM'000	31.12.2020 Audited RM'000
Non-current:		
Lease liabilities	762	1,102
	762	1,102
Current:		
Revolving credit	1,000	1,000
Bank overdraft	6,039	4,620
Lease liabilities	742	848
	7,781	6,468
	7,781	6,468
Total loans and borrowings	8,543	7,570

All loans and borrowings are secured and denominated in Ringgit Malaysia (RM).

B9. Material Litigation

As at the date of this interim financial report, there is no material litigation or arbitration by/against the Group, which has a material effect on the financial position of the Group and the Board of Directors ("Board") is not aware of any material proceedings pending or of any fact likely to give rise to any proceedings.

B10. Dividends Proposed

- (a) No dividend has been declared or proposed during the current quarter and financial year-to-date.
- (b) A first interim single tier dividend of 1.68 sen per share for the financial year ending 31 December 2021, amounting to RM2,995,787.76 computed based on 178,320,700 ordinary shares in issue or issuable (including the Public Issue as disclosed in Note A11) has been declared by the Directors on 16 July 2021. The first interim single tier dividend of 1.68 sen per share will be payable on 30 August 2021 to members whose names appear in the Record of Depositors on 9 August 2021.

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B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B11. Earnings Per Share (“EPS”)

The basic/diluted earnings per share for the current quarter and financial year-to-date are computed as follows:

(i) Basic EPS

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.06.2021 Unaudited RM'000	30.06.2020 ⁽¹⁾ Unaudited RM'000	30.06.2021 Unaudited RM'000	30.06.2020 ⁽¹⁾ Unaudited RM'000
Profit attributable to owners of the Company (RM'000)	807	N/A	3,604	N/A
Number of shares in issue ⁽²⁾ ('000)	148,321	N/A	148,321	N/A
Basic EPS ⁽²⁾ (sen)	0.54	N/A	2.43	N/A

(ii) Diluted EPS

Diluted EPS is equivalent to the basic EPS as the Company did not have dilutive potential ordinary shares during the current quarter and financial year-to-date.

Notes:

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 21 July 2021, there are no comparative figures for the preceding year's corresponding quarter and year-to-date as no interim financial report was prepared for the financial period concerned.
- (2) Basic EPS is calculated based on the Profit attributable to owners of the Company divided by the number of shares in issue.

N/A Not applicable

B12. Notes to the Unaudited Condensed Consolidated Statement of Comprehensive Income

Profit for the current quarter and financial year-to-date were arrived at after crediting/(charging) the following:

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.06.2021 Unaudited RM'000	30.06.2020 ⁽¹⁾ Unaudited RM'000	30.06.2021 Unaudited RM'000	30.06.2020 ⁽¹⁾ Unaudited RM'000
Finance income	47	N/A	101	N/A
Finance costs	(100)	N/A	(175)	N/A
Depreciation of property, plant and equipment	(322)	N/A	(642)	N/A

B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B12. Notes to the Unaudited Condensed Consolidated Statement of Comprehensive Income (Cont'd)

Notes:

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 21 July 2021, there are no comparative figures for the preceding year's corresponding quarter and year-to-date as no interim financial report was prepared for the financial period concerned.

N/A Not applicable

Other disclosure items pursuant to Appendix 9B, Note 16 of the ACE Market Listing Requirements of Bursa Securities are not applicable.

B13. Derivatives

The Group did not enter into any derivatives during the current quarter and financial year-to-date.

B14. Authorisation for Issue

This interim financial report was authorised for issue by the Board of Directors of the Company in accordance with a resolution passed by the Board of Directors on 25 August 2021.

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