



**MANFORCE GROUP**

Think Workforce, Think Manforce

## **MANFORCE GROUP BERHAD**

(Registration No.: 201701014455 (1228620-V))

(Incorporated in Malaysia)

### **HALF-YEARLY ANNOUNCEMENT FOR FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2020**

**CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")**

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY MANFORCE GROUP BERHAD ("MANFORCE" OR THE "COMPANY" OR THE "GROUP"). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.



**MANFORCE GROUP BERHAD**  
(Registration No.: 201701014455 (1228620-V))  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
30 SEPTEMBER 2020 <sup>(1)</sup>**

	12 Months Ended	
	Unaudited 30 Sep 2020 RM'000	Audited 30 Sep 2019 RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	358	4,152
Right-of-use assets	3,535	-
Intangible assets	216	288
Investment in an associate	-	-
Other investments	1,696	467
	<u>5,805</u>	<u>4,907</u>
<b>CURRENT ASSETS</b>		
Inventories	140	100
Trade and other receivables	18,218	13,860
Prepayments	3,024	3,636
Contract assets	4,081	5,223
Tax recoverable	559	1,072
Other investments	-	106
Fixed deposits with licensed banks	2,234	2,172
Cash and bank balances	4,824	6,157
	<u>33,080</u>	<u>32,326</u>
<b>TOTAL ASSETS</b>	<u>38,885</u>	<u>37,233</u>

**MANFORCE GROUP BERHAD**

(Registration No.: 201701014455 (1228620-V))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020 <sup>(1)</sup> (CONTINUED)**

	12 Months Ended	
	Unaudited 30 Sep 2020 RM'000	Audited 30 Sep 2019 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	21,329	21,329
Reorganisation reserves	(12,599)	(12,599)
Retained earnings	9,884	13,384
<b>TOTAL EQUITY</b>	<u>18,614</u>	<u>22,114</u>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings	5,050	4,724
Lease liabilities	73	-
Deferred tax liabilities	21	21
	<u>5,144</u>	<u>4,745</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	9,558	9,453
Bank borrowings	5,357	914
Lease liabilities	114	-
Tax liabilities	98	7
	<u>15,127</u>	<u>10,374</u>
<b>TOTAL LIABILITIES</b>	<u>20,271</u>	<u>15,119</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>38,885</u>	<u>37,233</u>

**Note:**

1. The Unaudited Condensed Consolidated Statement Of Financial Position is to be read in conjunction of the accompanying explanatory notes attached to this interim financial report.

**MANFORCE GROUP BERHAD**

(Registration No.: 201701014455 (1228620-V))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2020 <sup>(1)</sup>**

	Individual 6 Months Ended		Cumulative 12 Months Ended	
	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019
	RM'000	RM'000	RM'000	RM'000
Revenue	34,571	38,628	70,725	74,145
Cost of sales	(31,947)	(33,588)	(63,574)	(63,590)
<b>Gross profit</b>	<b>2,624</b>	<b>5,040</b>	<b>7,151</b>	<b>10,555</b>
Other income	427	245	731	511
Net gain/(loss) of fair value through profit & loss	441	-	441	-
Net (loss)/reversal on impairment of financial instruments	(873)	182	(858)	182
Administrative expenses	(4,340)	(5,142)	(9,526)	(10,162)
Other expenses	(135)	(212)	(280)	(560)
<b>Operating (loss)/profit</b>	<b>(1,856)</b>	<b>113</b>	<b>(2,341)</b>	<b>526</b>
Finance income	42	49	81	90
Finance costs	(225)	(210)	(414)	(515)
Share of results of an associate	-	-	-	(40)
<b>(Loss)/Profit before tax</b>	<b>(2,039)</b>	<b>(48)</b>	<b>(2,674)</b>	<b>61</b>
Tax expense	(495)	(287)	(826)	(632)
<b>Net loss for the financial year</b>	<b>(2,534)</b>	<b>(335)</b>	<b>(3,500)</b>	<b>(571)</b>
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive loss for the financial year</b>	<b>(2,534)</b>	<b>(335)</b>	<b>(3,500)</b>	<b>(571)</b>

**Note:**

1. The Unaudited Condensed Consolidated Statement Of Profit Or Loss And Other Comprehensive Income is to be read in conjunction of the accompanying explanatory notes attached to this interim financial report.

**MANFORCE GROUP BERHAD**

(Registration No.: 201701014455 (1228620-V))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2020 <sup>(1)</sup>**

	Share capital RM'000	Reorganisation reserve RM'000	Retained earnings RM'000	Subtotal RM'000	Non-controlling interests RM'000	Total equity RM'000
As at 1 October 2018 (Audited)	13,599	(12,599)	15,955	16,955	-	16,955
Total comprehensive loss for the financial year	-	-	(571)	(571)	-	(571)
<b>Transaction with owners:</b>						
Issue of ordinary shares	8,640	-	-	8,640	-	8,640
Transaction cost of share issuance	(910)	-	-	(910)	-	(910)
Dividends paid on shares	-	-	(2,000)	(2,000)	-	(2,000)
Total transaction with owners	7,730	-	(2,000)	5,730	-	5,730
As at 30 September 2019 / 1 October 2019 (Audited)	21,329	(12,599)	13,384	22,114	-	22,114
Total comprehensive loss for the financial year	-	-	(3,500)	(3,500)	-	(3,500)
As at 30 September 2020 (Unaudited)	21,329	(12,599)	9,884	18,614	-	18,614

**Note:**

1. The Unaudited Condensed Consolidated Statement Of Changes In Equity is to be read in conjunction of the accompanying explanatory notes attached to this interim financial report.

**MANFORCE GROUP BERHAD**

(Registration No.: 201701014455 (1228620-V))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2020 <sup>(1)</sup>**

	12 Months Ended	
	Unaudited 30 Sep 2020 RM'000	Audited 30 Sep 2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(2,674)	61
Adjustments for :		
Depreciation of property, plant and equipment	315	382
Depreciation of right-of-use assets	41	-
Amortisation of intangible asset	143	34
Fair value loss on other investments	424	-
Impairment loss on		
- trade receivables	257	37
- contract assets	712	-
- other receivables and deposits	13	18
Bad debts written off		
- trade receivables	59	-
- other receivables and deposits	65	6
Finance costs		
- bank overdrafts	92	64
- finance leases	5	18
- term loans	316	433
Finance income		
- deposits placed with licensed banks	(62)	(66)
- other interest income	(2)	(8)
- unwinding of discount of financial asset	(17)	(16)
Reversal of impairment losses		
- trade receivables	(59)	(231)
- other receivables	(65)	(6)
- associate	-	(40)
Gain on disposal of plant and equipment	(45)	(121)
Plant and equipment written off	-	6
Share of result of an associate	-	40
Gain on disposal of other investments	(866)	-
<b>Operating (loss)/profit before working capital changes</b>	<b>(1,348)</b>	<b>611</b>

**MANFORCE GROUP BERHAD**

(Registration No.: 201701014455 (1228620-V))

(Incorporated in Malaysia)

---

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONTINUED) <sup>(1)</sup>**

	12 Months Ended	
	Unaudited 30 Sep 2020 RM'000	Audited 30 Sep 2019 RM'000
<b>Changes in working capital:</b>		
Inventories	(40)	(98)
Trade and other receivables, deposits and prepayments	(4,017)	3,507
Contract assets	430	(59)
Trade and other payables	105	(210)
<b>Cash (used in)/generated from operations</b>	<b>(4,870)</b>	<b>3,751</b>
Interest received	2	8
Interest paid	(92)	(64)
Tax paid, net of tax refunded	(222)	(569)
<b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<b>(5,182)</b>	<b>3,126</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of plant and equipment	45	121
Proceeds from disposal of an investment fund	108	-
Proceeds from disposal of quoted shares	2,007	-
Purchase of plant and equipment	(96)	(182)
Purchase of quoted shares	(2,779)	-
Acquisition of intangible asset	(71)	(58)
Interest received	62	18
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(724)</b>	<b>(377)</b>



**MANFORCE GROUP BERHAD**

(Registration No.: 201701014455 (1228620-V))

(Incorporated in Malaysia)

---

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONTINUED) <sup>(1)</sup>**

	<b>12 Months Ended</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>30 Sep 2020</b>	<b>30 Sep 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from new share issue	-	8,640
Issuance of shares expenses	-	(910)
Dividend paid	-	(2,000)
Interest paid	(321)	(451)
Repayment of bank borrowings		
- term loans	738	(1,064)
- finance leases	-	(178)
Repayment of lease liabilities	(76)	-
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>341</b>	<b>4,037</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,565)</b>	<b>6,786</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>7,080</b>	<b>294</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>1,515</b>	<b>7,080</b>

**Note:**

1. The Unaudited Condensed Consolidated Statement Of Cash Flows is to be read in conjunction of the accompanying explanatory notes attached to this interim financial report.





**MANFORCE GROUP BERHAD**  
(Registration No.: 201701014455 (1228620-V))  
(Incorporated in Malaysia)

---

**Part A – Explanatory notes to the interim financial statements for the year ended 30 September 2020**

**1. Basis of preparation**

The interim financial statements of Manforce are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting.

This is the interim financial report on the financial results for the financial year ended 30 September 2020 announced by the Company in compliance with Paragraph 6.12 of the LEAP Market Listing Requirements of Bursa Securities ("Listing Requirements").

The interim financial report should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 30 September 2019 and the accompanying explanatory notes attached to this interim financial report.

**2. Significant accounting policies**

The significant accounting policies adopted by the Group in this report are consistent with those adopted in the Audited Financial Statements of the Group for the financial year ended 30 September 2019 except for the adoption of the following new and amended MFRS, and Issues Committee ("IC") Interpretations mandatory for annual financial periods beginning on or after 1 October 2019:

New MFRS

MFRS 16                      Leases

Amendments/Improvements to MFRSs

MFRS 4                      Extension of the Temporary Exemption from Applying MFRS 9  
MFRS 9                      Prepayment Features with Negative Compensation  
MFRS 119                    Employee Benefits  
MFRS 128                    Long-term Interests in Associates and Joint Ventures

New IC Int

IC Int 23                    Uncertainty over Income Tax Treatments

Annual Improvements

Annual Improvements to MFRSs 2015-2017 Cycle



**MANFORCE GROUP BERHAD**  
(Registration No.: 201701014455 (1228620-V))  
(Incorporated in Malaysia)

---

## 2. Significant accounting policies (Continued)

### MFRS 16 Leases

Currently under MFRS 117 Leases, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from the finance leases.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position except for short-term and low value asset leases.

On initial adoption of MFRS 16, there may be impact on the accounting treatment for leases, which the Group as a lessee currently accounts for as operating leases. On adoption of this standard, the Group will be required to capitalise its rented premises and equipment on the statements of financial position by recognising them as “rights-of-use” assets and their corresponding lease liabilities for the present value of future lease payments.

The Group has applied MFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised as an adjustment to retained earnings at 1 October 2019. Accordingly, the comparative information presented for financial year ended 30 September 2019 has not been restated – i.e. it is presented, as previously reported under MFRS 117 Leases and related interpretations.

**MANFORCE GROUP BERHAD**

(Registration No.: 201701014455 (1228620-V))

(Incorporated in Malaysia)

**2. Significant accounting policies (Continued)**MFRS 16 Leases (continued)

The Group has adopted MFRS 16 retrospectively from 1 October 2019 and has not restated the comparative information as permitted under the specific transition provision in the standard. The impact arising from the adoption of MFRS 16 on opening balance are as follows:

	<b>As at 30 September 2019 RM'000</b>	<b>MFRS 16 adjustment RM'000</b>	<b>As at 1 October 2019 RM'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4,152	(3,576)	576
Right-of-use assets	-	3,576	3,576
	<u>4,152</u>	<u>-</u>	<u>4,152</u>
<b>NON-CURRENT LIABILITIES</b>			
Bank borrowings	4,724	(104)	4,620
Lease liabilities	-	104	104
	<u>4,724</u>	<u>-</u>	<u>4,724</u>
<b>CURRENT LIABILITIES</b>			
Bank borrowings	914	(158)	756
Lease liabilities	-	158	158
	<u>914</u>	<u>-</u>	<u>914</u>

The estimated impact on adoption of MFRS 16 is based on assessment performed to-date. The actual impact of adopting the standard may change until the Group presents its audited financial statements for the financial year ended 30 September 2020.



## MANFORCE GROUP BERHAD

(Registration No.: 201701014455 (1228620-V))

(Incorporated in Malaysia)

### 2. Significant accounting policies (Continued)

#### Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's financial statements are disclosed below. The Group intend to adopt these standards, if applicable, when they become effective.

	<b>Effective for financial periods beginning on or after</b>
<u>New MFRS</u>	
MFRS 17 Insurance Contracts	1 January 2021
<u>Amendments/Improvements to MFRSs</u>	
MFRS 3 Definition of a Business / Reference to the Conceptual Framework	1 January 2020/ 1 January 2022
MFRS 4, 7, Interest Rate Benchmark Reform—Phase 2 9, 16, 139	1 January 2021
MFRS 7, 9 Interest Rate Benchmark Reform 139	1 January 2020
MFRS 10, Sale or Contribution of Assets between an Investor and its 128 Associate or Joint Venture	Deferred
MFRS 16 Covid-19-Related Rent Concessions	1 June 2020
MFRS 101, Definition of Material 108	1 January 2020
MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2023
MFRS 116 Property, Plant and Equipment—Proceeds before Intended Use	1 January 2022
MFRS 137 Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022
<u>Annual Improvements</u>	
Annual Improvements to MFRS Standards 2018–2020	1 January 2022

The Directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application.

### 3. Auditors' report

The auditors' report of the preceding annual financial statements of the Company and of the Group was not subject to any qualification.

### 4. Seasonal or cyclical factors

The Group's operations were generally not affected by any seasonal or cyclical factors for the current financial year-to-date under review.



**MANFORCE GROUP BERHAD**  
(Registration No.: 201701014455 (1228620-V))  
(Incorporated in Malaysia)

---

**5. Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity or cash flows of the Group during the current financial year-to-date under review.

**6. Material changes in accounting estimates**

There were no material changes in accounting estimates in the current financial year-to-date under review.

**7. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current financial year-to-date under review.

**8. Debt and equity securities**

There were no other issuance, cancellation, repurchase, resales and repayment of debt and equity securities for the current financial year-to-date under review.

**9. Other investments**

	<b>12 Months Ended</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>30 Sep 2020</b>	<b>30 Sep 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current</b>		
<u>Financial asset at amortised cost</u>		
- Unquoted debt security	484	467
<u>Financial asset at fair value through profit or loss</u>		
- Quoted shares	1,212	-
	<u>1,696</u>	<u>467</u>
<b>Current</b>		
<u>Financial asset at fair value through profit or loss</u>		
- Quoted investment fund	-	106



**MANFORCE GROUP BERHAD**  
(Registration No.: 201701014455 (1228620-V))  
(Incorporated in Malaysia)

## 10. Breakdown of cash and cash equivalents

	12 Months Ended	
	Unaudited 30 Sep 2020 RM'000	Audited 30 Sep 2019 RM'000
Deposits placed with licensed banks	2,234	2,172
Less: Pledged deposits	(1,249)	(1,249)
	<u>985</u>	<u>923</u>
Cash and bank balances	4,824	6,157
Bank overdrafts	(4,294)	-
Cash and cash equivalents	<u>1,515</u>	<u>7,080</u>

## 11. Segmental information

The Group's revenue based on its activities are presented as follows:

	Individual 6 Months Ended			
	30 Sep 2020		30 Sep 2019	
	RM'000	%	RM'000	%
<b>Revenue</b>				
Foreign worker management services	12,937	37.43	15,337	39.70
Manual labour services	21,567	62.38	22,530	58.33
Other ancillary services	67	0.19	761	1.97
Total	<u>34,571</u>	<u>100.00</u>	<u>38,628</u>	<u>100.00</u>

	Cumulative 12 Months Ended			
	30 Sep 2020		30 Sep 2019	
	RM'000	%	RM'000	%
Foreign worker management services	31,268	44.21	33,897	45.72
Manual labour services	39,330	55.61	39,407	53.15
Other ancillary services	127	0.18	841	1.13
Total	<u>70,725</u>	<u>100.00</u>	<u>74,145</u>	<u>100.00</u>



**MANFORCE GROUP BERHAD**  
(Registration No.: 201701014455 (1228620-V))  
(Incorporated in Malaysia)

---

Our Group's revenues are generated based on the following:

- a) Revenue from foreign workers management services business segment are generated based on a pre-agreed rates per foreign worker depending on the shifts (normal day, public holiday or overtime);
- b) Revenue from manual labour services business segment are generated based on pre-agreed rates calculated based on the number of days and hours worked or output of unit of production; and
- c) Revenue from other ancillary services are mainly agent fees received from the sale of foreign worker insurance products.

## 12. Related parties transactions

Related parties	Relationship	Nature of transaction	Cumulative 12 Months Ended	
			30 Sep 2020 RM'000	30 Sep 2019 RM'000
MNC HARDWARE TRADING SDN BHD	A company own by family members of Directors	Purchase of equipment/tools	14	-
CHIN HAU YEE	A family member of a Director	Purchase of staff welfare related items	2	-
OE GALAXY RESORT SDN BHD	A company own by a Director	Employment services rendered	6	-
PRO CURTAIN INSTALLATION SERVICES SDN BHD	A company own by a Director	Employment services rendered	21	-



**MANFORCE GROUP BERHAD**  
(Registration No.: 201701014455 (1228620-V))  
(Incorporated in Malaysia)

---

Related parties	Relationship	Nature of transaction	Cumulative 12 Months Ended	
			30 Sep 2020 RM'000	30 Sep 2019 RM'000
MK CURTAIN PREMIUM SDN BHD	A company own by a Director	Employment services rendered	1	-
MKAYE GROUP SDN BHD	A company own by a Director	Employment services rendered	2	-
CK TEXTILE SDN BHD	A company own by a Director	Employment services rendered	*	-

\* Represent amount less than RM1,000.

Saved from the above, there were no related parties transactions in the current financial year-to-date under review.

**13. Material events during the financial year**

There were no material events during the financial year under review.

**14. Material events subsequent to the end of the financial year**

There were no material events subsequent to the end of the financial year under review.

**15. Capital commitments**

Saved from the proposed utilisation of proceeds as disclosed in the Part C, Note 4, we do not have any material capital commitment as at the date of this report.



**MANFORCE GROUP BERHAD**

(Registration No.: 201701014455 (1228620-V))

(Incorporated in Malaysia)

**16. Borrowings**

	12 Months Ended	
	30 Sep 2020 RM'000	30 Sep 2019 RM'000
<b>Non-current liabilities</b>		
- Finance lease liabilities	-	104
- Term loans	5,050	4,620
	5,050	4,724
<b>Current liabilities</b>		
- Finance lease liabilities	-	159
- Term loans	1,063	755
- Bank overdrafts	4,294	-
	5,357	914
	<u>10,407</u>	<u>5,638</u>

**17. Loss per share**

- a) The basic loss per share for the current financial year-to-date under review are computed as below:

	Individual 6 Months Ended		Cumulative 12 Months Ended	
	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019
Loss attributable to the owners of the Company (RM'000)	(2,534)	(335)	(3,500)	(571)
Weighted average number of ordinary shares in issue ('000)	319,983	319,983	319,983	319,983
Basic loss per share (sen)	<u>(0.79)</u>	<u>(0.10)</u>	<u>(1.09)</u>	<u>(0.18)</u>

- b) Diluted loss per share is the same as the basic loss per share as there were no potential dilutive instruments.

**18. Contingent assets and contingent liabilities**

There were no contingent assets and contingent liabilities as at 30 September 2020.



**MANFORCE GROUP BERHAD**  
(Registration No.: 201701014455 (1228620-V))  
(Incorporated in Malaysia)

---

**Part B – Additional information required under the Leap Market Listing Requirements**

**1. Review of performance**

During the year under review, our revenue is mainly derived from Foreign Worker management and Manual Labour Services amounted to RM31.2 million or 44.21% of total revenue and RM39.3 million or 55.61% of total revenue respectively, while our other ancillary services contributed RM0.13 million or 0.18% of our total revenue.

The Group recorded a lower revenue and gross profit amounted to RM70.73 million and RM7.15 million in the current financial year as compared to the revenue and gross profit amounted to RM74.14 million and RM10.56 million in the preceding year. The reduction in revenue and gross profit was mainly due to adverse impact resulted from the COVID-19 pandemic outbreak in Malaysia and the lower demand from customers while fixed and variable costs such as foreign worker salary, foreign worker accommodation as well as swab test for foreign workers continued to be incurred.

The Group recorded a net loss amounted to RM3.50 million in the current financial year compared to a net loss amounted to RM0.57 million in the preceding year. Other than the main reasons mentioned in the above, the increase in net loss during the current financial year was resulted from the additional impairment losses of finance instruments arising from the exposure credit risk in the receivables.

**2. Prospects of the Group**

In light with the re-imposed of Conditional Movement Control Order (also known as “CMCO”) from 22 October 2020 to 6 December 2020 as a measurement to contain the chain of infection of COVID-19, the current market sentiment remains challenging for all businesses.

Despite the unpredictable market condition, the Group will stays vigilant on the local economy amid the global health crisis while taking stringent measures in the internal cost control and improving customer awareness of the Group’s offering through advertising activities. The Group has been continuously on the lookout for opportunity to expand the Group’s product and services offering to enhance the Group’s earnings and improve its financial performance.

**3. Variance of actual profit from profit forecast and profit guarantee**

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



**MANFORCE GROUP BERHAD**  
(Registration No.: 201701014455 (1228620-V))  
(Incorporated in Malaysia)

**Part C – Other information**

**1. Status of corporate proposals**

Saved from the proposed utilisation of proceeds as disclosed in the Part C, Note 4, there were no other corporate proposals announced and pending completion as the date of this report.

**2. Material litigation**

There are no material litigations pending as at the date of this report.

**3. Dividends**

No dividend declared and paid by the Company since the end of the previous financial year.

**4. Utilisation of Proceeds**

The total gross proceeds of approximately RM8.64 million from the proposed placement will be utilised by our Group in the following manner:

<b>Purpose</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation (a) RM'000</b>	<b>Balance RM'000</b>	<b>Estimated timeframe for utilisation upon listing</b>
Working capital:				
- Hiring costs	6,100	2,822	3,278	Within 24 months
- Medical fees/examination and processing fee for the workers' work permits	1,060	490	570	Within 24 months
- Staff salaries for sales and marketing team	380	380	-	Within 24 months
Estimated listing expenses (b)	1,100	1,100	-	Within 1 month
<b>Total</b>	<b>8,640</b>	<b>4,792</b>	<b>3,848</b>	

(a) Utilisation as at 30 September 2020.

(b) The Group incurred listing expenses of RM1.43 million, of which RM0.33 million came from internally generated funds.