



POLYDAMIC

POLYDAMIC GROUP BERHAD

(Incorporated in Malaysia)

Company No: 201801037913 (1299943-W)

**Unaudited Condensed Consolidated Financial Statements for the
2nd Half-Year Ended 30 June 2022**

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 AND 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 US. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN US AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	30.06.2022 ⁽¹⁾	30.06.2021	30.06.2022 ⁽¹⁾	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	16,175	18,505	35,680	28,644
Cost of sales	(8,686)	(12,380)	(20,439)	(18,608)
Gross profit	7,489	6,125	15,241	10,036
Other operating income	230	165	367	243
Selling and distribution expenses	(119)	(134)	(498)	(245)
Administrative expenses	(2,775)	(2,185)	(4,925)	(4,557)
Finance costs	(79)	(90)	(164)	(218)
Profit before tax	4,746	3,881	10,021	5,259
Tax expenses	(1,146)	(864)	(2,440)	(1,311)
Profit for the financial period/year	3,600	3,017	7,581	3,948
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial period/year	3,600	3,017	7,581	3,948
Profit for the financial period/year attributable to owners of the Group	3,600	3,017	7,581	3,948
Earnings per ordinary share (sen) ⁽²⁾				
- Basic	4.08	3.42	8.59	4.47
- Diluted	N/A	N/A	N/A	N/A

POLYDAMIC GROUP BERHAD
Company No: 201801037913 (1299943-W)
(Incorporated in Malaysia)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended ("FYE") 30 June 2021 and the accompanying explanatory notes attached to this unaudited condensed consolidated financial report.
- (2) Earnings per share is computed based on the Company's total number of issued shares of 88,236,002 as at the end of the respective reporting period. During the financial year, there were no shares in issuance which would have a dilutive effect on the earnings per share of the Group.
- N/A Not applicable

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

	UNAUDITED As at 30.06.2022 ⁽¹⁾	AUDITED As at 30.06.2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	6,426	6,699
Investment properties	382	396
Right-of-use assets	97	124
Deferred tax assets	247	157
	<u>7,152</u>	<u>7,376</u>
Current assets		
Inventories	3,061	4,502
Receivables	11,412	9,554
Contract assets	981	137
Deposits, cash and bank balances	12,134	13,555
Tax assets	2	157
	<u>27,590</u>	<u>27,905</u>
TOTAL ASSETS	<u><u>34,742</u></u>	<u><u>35,281</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	8,382	8,382
Retained earnings	15,770	9,671
Merger reserve	(4,800)	(4,800)
Total equity attributable to owners of the Group	<u>19,352</u>	<u>13,253</u>
Non-current liabilities		
Borrowings	3,459	3,856
Lease liabilities	9	44
Deferred tax liabilities	83	177
	<u>3,551</u>	<u>4,077</u>
Current liabilities		
Payables	4,140	6,552
Contract liabilities	6,794	10,763
Borrowings	392	398
Lease liabilities	93	85
Tax liabilities	420	153
	<u>11,839</u>	<u>17,951</u>
Total liabilities	<u>15,390</u>	<u>22,028</u>
TOTAL EQUITY AND LIABILITIES	<u><u>34,742</u></u>	<u><u>35,281</u></u>
Net assets per share (RM) ⁽²⁾	<u>0.22</u>	<u>0.15</u>

Notes:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited consolidated financial statements of the Group for the FYE 30 June 2021 and the accompanying explanatory notes attached to this unaudited condensed consolidated financial report.

(2) Net assets per share is calculated based on the Group's total number of issued shares as at the end of the respective financial reporting period of 88,236,002.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	<i>Non-distributable</i>		<i>Distributable</i>	
	Share Capital	Merger Reserve	Retained Profits	Total Equity
	RM'000	RM'000	RM'000	RM'000
<u>Unaudited financial year ended 30 June 2022</u> ⁽¹⁾				
At 1 July 2021	8,382	(4,800)	9,671	13,253
Total comprehensive income for the financial year	-	-	7,581	7,581
Dividend paid	-	-	(1,482)	(1,482)
At 30 June 2022	8,382	(4,800)	15,770	19,352
<u>Audited financial year ended 30 June 2021</u>				
At 1 July 2020	8,382	(4,800)	6,122	9,704
Total comprehensive income for the financial year	-	-	3,948	3,948
Dividend paid	-	-	(399)	(399)
At 30 June 2021	8,382	(4,800)	9,671	13,253

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited consolidated financial statements of the Group for the FYE 30 June 2021 and the accompanying explanatory notes attached to this unaudited condensed consolidated financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	12 MONTHS ENDED	
	30.06.2022 ⁽¹⁾	30.06.2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,021	5,259
Adjustments for:		
Allowance for impairment loss in trade receivables	529	203
Depreciation of investment properties	15	15
Depreciation of property, plant and equipment	403	409
Depreciation of right-of-use assets	98	97
Gain on subsequent measurement of right-of-use assets	(2)	-
Gain on derecognition of right-of-use assets	-	(1)
Gain on disposal of property, plant and equipment	(10)	(3)
Interest expenses	157	210
Interest income	(76)	(36)
Interest on lease liabilities	6	8
Inventories written-down to net realisable value	427	86
Property, plant and equipment written-off	2	2
Reversal of impairment loss on trade receivables	(1)	(18)
Unrealised (gain)/loss on foreign exchange	(119)	14
Operating profit before working capital changes	<u>11,450</u>	<u>6,245</u>
Inventories	1,013	(2,807)
Receivables	(2,388)	(6,529)
Contract assets	(844)	201
Payables	(2,412)	4,322
Contract liabilities	(3,968)	9,313
Cash generated from operations	<u>2,851</u>	<u>10,745</u>
Interest received	76	36
Payment of interest on lease liabilities	(6)	(8)
Interest paid	(157)	(210)
Tax paid	(2,201)	(1,071)
Net cash generated from operating activities	<u>563</u>	<u>9,492</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(132)	(215)
Proceed from disposal of property, plant and equipment	10	3
Net cash used in investing activities	<u>(122)</u>	<u>(212)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Changes in a fixed deposit pledged to a licensed bank	(1)	(1)
Net movements in short-term borrowings	-	(286)
Net changes in bank overdrafts	-	(1,713)
Repayment of hire purchase creditors	(25)	(114)
Repayment of term loans	(378)	(129)
Payment of lease liabilities	(97)	(95)
Dividend paid	(1,482)	(399)
Net cash used in financing activities	<u>(1,983)</u>	<u>(2,737)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

	12 MONTHS ENDED	
	30.06.2022 ⁽¹⁾	30.06.2021
	RM'000	RM'000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,542)	6,543
Effect of changes in foreign exchange rates	121	(3)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	<u>13,528</u>	<u>6,988</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>12,107</u>	<u>13,528</u>
 Cash and cash equivalents at end of the financial year comprises:		
Short-term deposits placed with licensed banks	3,669	3,446
Cash and bank balances	<u>8,465</u>	<u>10,109</u>
	12,134	13,555
Less: A fixed deposit pledged with a licensed bank	<u>(27)</u>	<u>(27)</u>
	<u>12,107</u>	<u>13,528</u>

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited consolidated financial statements of the Group for the FYE 30 June 2021 and the accompanying explanatory notes attached to this unaudited condensed consolidated financial report.

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PART A – EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

A1 Basis of Preparation

Polydamic Group Berhad (“**Polydamic**” or the “**Company**”) was incorporated in Malaysia on 17 October 2018 as a public limited company under the Companies Act 2016. The Company’s registered office is located at 3rd Floor, No. 17 Jalan Ipoh Kecil, 50350 Kuala Lumpur, Wilayah Persekutuan. Polydamic was listed on the LEAP Market on 23 March 2020.

The unaudited condensed consolidated financial statements of Polydamic Group Berhad and its subsidiaries (the “**Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting.

The unaudited condensed consolidated financial statements for the 6-month FPE 30 June 2022 should be read in conjunction with the audited consolidated financial statements of the Group for the FYE 30 June 2021 and the accompanying explanatory notes attached to this unaudited condensed consolidated financial report.

A2 Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this unaudited condensed consolidated financial report are consistent with those adopted in the audited consolidated financial statements for the FYE 30 June 2021 of the Group.

The new accounting standards, amendments and improvements to published standards and interpretations that are effective and applicable for the Group’s financial year beginning on or after 1st July 2021 are as follows:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 “Interest Rate Benchmark Reform - Phase 2”
- Amendments to MFRS 16 “Covid-19 Related Rent Concessions”

The adoption of amendments listed above did not have any impact on the current financial year or any prior financial year and is not likely to affect future financial years.

The following are MFRSs and amendments to MFRSs that have been issued by Malaysian Accounting Standards Board (“**MASB**”) but are not yet effective and have not been adopted by the Group:

Amendments to MFRSs	Effective Dates	
Amendments to:		
- MFRS 3	Reference to the Conceptual Framework	1st January 2022
- MFRS 9	Financial Instruments (Annual Improvement to MFRS Standards 2018 - 2020)	1st January 2022
- MFRS 101	Classification of Liabilities as Current or Non-current	1st January 2023
- MFRS 101	Disclosure of Accounting Policies	1st January 2023
- MFRS 108	Disclosure of Accounting Estimates	1st January 2023
- MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1st January 2023

PART A – EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

A2 Significant Accounting Policies (Cont'd)

The following are MFRSs and amendments to MFRSs that have been issued by Malaysian Accounting Standards Board (“**MASB**”) but are not yet effective and have not been adopted by the Group (Cont'd):

Amendments to MFRSs (Cont'd)		Effective Dates
Amendments to (Cont'd):		
- MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1st January 2022
- MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1st January 2022

It is anticipated that the adoption of the abovementioned Standards and amendments will not have significant impact on the financial statements of the Group.

A3 Auditors' Report

There was no qualification on the Group's audited consolidated financial statements for the financial year ended 30 June 2021.

A4 Seasonal and Cyclical Factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the financial period under review.

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 during the financial period under review.

A6 Material Changes in Estimates

There were no material changes in estimates that would have a material effect on the financial results for the financial period under review.

PART A – EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

A7 Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the financial period under review.

A8 Dividend Paid

The Board declared the first interim dividend of 0.68 sen per share in respect of the financial year ended 30 June 2022. The first interim dividend amounting to RM600,005 (based on 88,236,002 units of the Group's ordinary shares) was paid on 29 April 2022.

A9 Segmental Reporting

The Group is principally engaged in the provision of air pollution control solutions. Through its subsidiaries, the Group is primarily involved in:

- (i) designing, manufacturing, installation and commissioning of air pollution control systems;
- (ii) manufacturing and sales of air pollution control products and other related environmental engineering products; and
- (iii) provision of air pollution control services comprising technical consultation and maintenance services.

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PART A – EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

A9 Segmental Reporting (Cont'd)

The reportable segments are summarised as follows:

- (i) Analysis of Revenue Breakdown by Product/Service Categories

	INDIVIDUAL 6 MONTHS ENDED				CUMULATIVE 12 MONTHS ENDED			
	30.06.2022		30.06.2021		30.06.2022		30.06.2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Air pollution control systems	11,724	72.5	9,729	52.6	23,817	66.8	16,229	56.7
Air pollution control products and other related environmental engineering products	3,015	18.6	7,337	39.6	7,942	22.2	9,603	33.5
Technical consultation and maintenance services	1,436	8.9	1,439	7.8	3,921	11.0	2,812	9.8
Total revenue	16,175	100.0	18,505	100.0	35,680	100.0	28,644	100.0

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PART A – EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

A9 Segmental Reporting (Cont'd)

The reportable segments are summarised as follows (Cont'd):

(ii) Analysis of Revenue Breakdown by Geographical Locations

	INDIVIDUAL 6 MONTHS ENDED				CUMULATIVE 12 MONTHS ENDED			
	30.06.2022		30.06.2021		30.06.2022		30.06.2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<u>Local Revenue</u>								
Malaysia	10,764	66.5	17,133	92.6	25,551	71.6	25,349	88.5
Total local revenue	10,764	66.5	17,133	92.6	25,551	71.6	25,349	88.5
<u>Overseas Revenue</u>								
USA	237	1.5	463	2.5	669	1.9	1,039	3.6
Vietnam	4,926	30.5	326	1.8	8,751	24.5	326	1.1
Germany	-	-	275	1.5	-	-	275	1.0
China	-	-	182	1.0	251	0.7	1,235	4.3
Thailand	-	-	96	0.5	-	-	96	0.3
Philippines	168	1.0	-	-	168	0.5	-	-
Columbia	-	-	-	-	-	-	105	0.4
Others ⁽¹⁾	80	0.5	30	0.1	290	0.8	219	0.8
Total overseas revenue	5,411	33.5	1,372	7.4	10,129	28.4	3,295	11.5
Total revenue	16,175	100.0	18,505	100.0	35,680	100.0	28,644	100.0

⁽¹⁾ Others comprise countries such as Singapore, Indonesia, Saudi Arabia, Ecuador and India.

PART A – EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

A10 Profit Before Taxation

Profit before taxation is arrived at after charging/(crediting):-

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
- current year	24	21	47	42
- under provision in prior year	-	-	5	-
Allowance for impairment loss on trade receivables	529	-	529	203
Depreciation of property, plant and equipment	187	207	403	409
Depreciation of investment properties	7	7	15	15
Depreciation of right-of-use assets	(52)	46	98	97
Directors' fees:				
- current year	15	30	30	30
- under provision in prior year	-	10	-	10
Directors' remuneration:				
- Salaries, bonuses and allowances	399	419	787	801
- Employees' Provident Fund	68	78	148	149
- Other emoluments	2	2	7	3
Gain on disposal of property, plant and equipment	(9)	-	(10)	(3)
Gain on derecognition of right-of-use assets	-	(1)	-	(1)
Gain on subsequent measurement of right-of-use assets	(2)	-	(2)	-
(Gain)/Loss on foreign exchange:				
- Realised	(107)	(1)	(76)	(5)
- Unrealised	(101)	(151)	(119)	14
Interest expenses	53	90	163	218
Interest income	(41)	(26)	(76)	(36)
Inventories written-down to net realisable value	427	-	427	86

PART A – EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

A10 Profit Before Taxation (Cont'd)

Profit before taxation is arrived at after charging/(crediting) (Cont'd):-

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Listing expenses	3	3	5	4
Prihatin wages subsidy programme	-	-	-	(50)
Property, plant and equipment written-off	-	2	2	2
Reversal of impairment loss on trade receivables	-	(23)	(1)	(18)
Rental income	(7)	(31)	(27)	(67)
Staff costs:				
- Salaries, bonuses and allowances	2,424	2,785	4,543	4,916
- Employees' Provident Fund	163	195	367	349
- Other employee benefits	116	111	211	203

A11 Valuation of Property, Plant and Equipment

There was no valuation on property, plant and equipment during the financial period under review.

A12 Material Events after the End of the Reporting Period

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

A13 Contingent Liabilities and Contingent Assets

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

PART A – EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

A14 Capital Commitment

The capital commitment of the Group as at 30 June 2022 is as follows:

	<u>Unaudited</u>
	As at 30.06.2022
	RM'000
Authorised and contracted for	2,500
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A15 Significant Related Party Transactions

There were no significant related party transactions during the financial period under review.

A16 Financial Liabilities

The Group has not entered into any derivatives and do not have any financial liabilities arising from it.

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PART B – ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (“LISTING REQUIREMENTS”)

B1 Review of Performance

Comparison between current 6 months financial period (“2H FYE 2022”) and the preceding year 6 months financial period (“2H FYE 2021”)

The Group’s revenue for 2H FYE 2022 slipped RM2.33 million or 12.6% from RM18.51 million reported for 2H FYE 2021 to RM16.18 million. However, the profit after tax rose RM0.58 million or 19.3% to RM3.60 million from the RM3.02 million recorded in 2H FYE 2021.

The lower revenue in 2H FYE 2022 was primarily resulted from the decline in segmental revenue generated from air pollution control products and other environmental engineering products which is lower by RM4.32 million or 58.9% compared to 2H FYE 2021 of RM7.34 million. The lower revenue from air pollution control products and other environmental engineering products was mainly due to the softer commercial momentum in glove manufacturing industry in 2H FYE 2022.

On the other hand, the revenue from air pollution control systems segment increased by 20.5% from RM9.73 million in 2H FYE 2021 to RM11.72 million in 2H FYE 2022 while the technical consultation and maintenance services segment contributed a consistent revenue of RM1.44 million for both 2H FYE 2022 and 2H FYE 2021.

The Group reported a higher profit before tax (“PBT”) for 2H FYE 2022 compared to 2H FYE 2021 despite the drop in the Group’s revenue. The improvement was mainly due to lower cost of sales incurred in 2H FYE 2022, which was reduced by RM3.69 million or 29.8% as compared to 2H FYE 2021. Higher cost of sales was incurred in the preceding year’s corresponding financial period due to higher volume of fabrication works being subcontracted to external vendors in order to meet tight schedule for certain projects.

Comparison between current 12 months financial year (“FYE 2022”) and the preceding year 12 months financial year (“FYE 2021”)

For FYE 2022, the Group achieved a 24.6% hike in revenue from RM28.64 million in last financial year to RM35.68 million reported for current financial year. The revenue growth was mainly contributed by existing sales orders from glove manufacturing industry as well as new sales orders from semiconductors and other industries.

In FYE 2022, air pollution control systems segment has continued to be the main revenue contributor which contributed 66.8% of the Group’s revenue as compared to 56.7% in FYE 2021. The revenue from this segment has increased by RM7.59 million or 46.8% from last financial year of RM16.23 million to RM23.82 million in the current financial year. By geographical regions, local customers contributed 71.6% of the Group’s revenue for FYE 2022 as compared to 88.5% of the Group’s revenue for FYE 2021. The overseas revenue was contributed mainly by foreign customers from Vietnam, USA, China and Philippines.

The group’s PBT for FYE 2022 surged by RM4.76 million or 90.5% to RM10.02 million from RM5.26 million achieved in FYE 2021 mainly due to the growth in the revenue as mentioned above and the improvement in the gross profit margin arising from higher margin projects in FYE 2022 as well as the realisation of the cost saving initiatives undertaken by the Group.

PART B – ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (“LISTING REQUIREMENTS”) (CONT’D)

B2 Commentary on Prospect

As we have transitioned from the COVID-19 pandemic to endemic stage, the global economy is still facing a new set of economic challenges such as threat of global recession and fast-rising inflation which might adversely affect the Group’s performance. Therefore, the Group is continuously assessing the underlying risks and preparing to face such challenges.

As at 30 June 2022, the Group has continued to expand the business and marketing activities to capture more business opportunities arising from the Central Region and Southern Region of Malaysia. In addition, the Group has also increased its production capacity by hiring more manpower, acquiring new plant, machinery and/or equipment to cater for the increase in the demand as well as improving the technical capabilities from time to time to deliver enhanced quality products and services to customers.

Premised on the above and barring unforeseen circumstances, the Board of Directors of the Company expects the Group’s financial performance for the next financial year to be satisfactory.

B3 Profit Forecast, Profit Guarantee and Internal Targets

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

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PART C – OTHER INFORMATION

C1 Status of Corporate Proposal

Saved as disclosed below, there were no corporate proposals announced but pending completion as at the date of this unaudited condensed consolidated financial report.

On 3 March 2022, Polydamic Holdings Sdn Bhd, a wholly-owned subsidiary of the Company has entered into a sales and purchase agreement to acquire one (1) parcel of leasehold land together with a double storey detached factory erected thereon and held under individual title deed PN 37819, Lot 128260 in Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan, measuring approximately 4,046 square meters in area from Ipoh Steel Sdn. Bhd. (Company Registration No.198201010747 (90471-V)) for a total consideration of RM2,800,000.00 financed by a combination of internal fund and bank borrowing which was pending drawdown as at the end of this financial period under review. The acquisition is still pending completion as at the date of this unaudited condensed consolidated financial report.

C2 Material Litigation

The Group was not engaged in any material litigation as at the date of this unaudited condensed consolidated financial report.

C3 Dividend

The Board declared second interim dividend of RM0.01 per share in respect of the financial year ended 30 June 2022. The second interim dividend amounting to RM882,360 (based on 88,236,002 units of the Group's ordinary shares) will be paid on 30 September 2022.

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