



UUE HOLDINGS BERHAD

(Registration No: 202201026669 (1472366-A))
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MAY 2024**

UUE HOLDINGS BERHAD
Registration No: 202201026669 (1472366-A)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME⁽¹⁾⁽²⁾
FOR THE FIRST QUARTER ENDED 31 MAY 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.5.2024	31.5.2023	31.5.2024	31.5.2023
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Revenue	38,956	N/A	38,956	N/A
Cost of sales	(27,321)	N/A	(27,321)	N/A
Gross profit	11,635	N/A	11,635	N/A
Other operating income	197	N/A	197	N/A
Administrative expenses	(3,692)	N/A	(3,692)	N/A
Selling and distribution expenses	(211)	N/A	(211)	N/A
Other operating expenses	(57)	N/A	(57)	N/A
Finance costs	(433)	N/A	(433)	N/A
Profit before tax	7,439	N/A	7,439	N/A
Tax expense	(1,881)	N/A	(1,881)	N/A
Profit after tax	5,558	N/A	5,558	N/A
Other comprehensive loss, net of tax				
<u>Item that may be reclassified subsequently to profit or loss</u>				
Foreign exchange translation, net of tax	(385)	N/A	(385)	N/A
Total comprehensive income	5,173	N/A	5,173	N/A
Earnings per share ("EPS")				
- Basic (sen) ⁽³⁾	1.1	N/A	1.1	N/A
- Diluted (sen) ⁽⁴⁾	0.9	N/A	0.9	N/A

Notes:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 May 2024 in relation to its initial public offering ("IPO") and the accompanying explanatory notes attached to this interim financial report.
- (2) This interim financial report announced in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). There are no comparative figures for the preceding corresponding quarter and period-to-date as the Company was listed on the ACE Market of Bursa Securities on 2 July 2024 and as such no interim financial report was prepared for the comparative financial period concerned.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME⁽¹⁾⁽²⁾**
FOR THE FIRST QUARTER ENDED 31 MAY 2024 (CONTINUED)

- (3) Basic earnings per share ("**EPS**") is calculated based on the Company's share capital of 483,390,000 ordinary shares upon completion of the acquisition of Kum Fatt Engineering Sdn Bhd ("**Kum Fatt**"), Konnection Engineering Pte Ltd ("**Konnection**") and Premier Plastic Industry Sdn Bhd ("**PPI**") but before the IPO (refer to Note A11).
- (4) Diluted EPS is calculated based on the Company's enlarged share capital of 608,292,000 shares after the IPO of the Company.
- (5) N/A – Not applicable.

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UUE HOLDINGS BERHAD
Registration No: 202201026669 (1472366-A)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾
AS AT 31 MAY 2024

	Unaudited As at 31.5.2024 RM'000	Unaudited As at 29.2.2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,497	13,744
Right-of-use assets	12,298	10,855
Total non-current assets	24,795	24,599
Current assets		
Inventories	3,094	3,549
Contract assets	44,068	40,656
Trade and other receivables	35,090	32,408
Cash and bank balances	20,001	18,149
Total current assets	102,253	94,762
TOTAL ASSETS	127,048	119,361
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	48,339	*
Invested equity ⁽²⁾	-	3,908
Reserves	19,713	58,971
TOTAL EQUITY	68,052	62,879
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	1,311	1,312
Deferred income	151	155
Lease liabilities	6,460	5,892
Borrowings	2,513	2,784
Total non-current liabilities	10,435	10,143
Current liabilities		
Trade and other payables	15,283	17,434
Deferred income	16	16
Contract liabilities	2,809	2,182
Lease liabilities	3,239	2,944
Borrowings	22,791	20,077
Current tax liabilities	4,423	3,686
Total current liabilities	48,561	46,339
TOTAL LIABILITIES	58,996	56,482
TOTAL EQUITY AND LIABILITIES	127,048	119,361
Net assets per ordinary share attributable to owners of the Company (RM) ⁽³⁾	0.14	0.13

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾
AS AT 31 MAY 2024 (CONTINUED)

Notes:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Financial Position are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 May 2024 in relation to its IPO and the accompanying explanatory notes attached to this interim financial report.
 - (2) Number of ordinary shares on combined basis.
 - (3) Net assets per ordinary share is calculated based on the Company's share capital of 483,390,000 ordinary shares upon completion of the acquisition of Kum Fatt, Konnection and PPI but before the IPO (refer to Note A11).
- * Represents RM10.

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UUE HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾⁽²⁾
FOR THE FIRST QUARTER ENDED 31 MAY 2024

	← Non-distributable →				Distributable	
	Share Capital	Invested Equity	Merger Reserve	Foreign Exchange Translation Reserve	Retained Earnings	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 March 2024 (Unaudited)	*	3,908	-	2,499	56,472	62,879
Profit for the financial period	-	-	-	-	5,558	5,558
Other comprehensive loss, net of tax	-	-	-	(385)	-	(385)
Total comprehensive income	-	-	-	(385)	5,558	5,173
Transaction with owners						
Issuance of ordinary shares pursuant to acquisition of subsidiaries	48,339	(3,908)	(44,431)	-	-	-
At 31 May 2024 (Unaudited)	48,339	-	(44,431)	2,114	62,030	68,052

Notes:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 May 2024 in relation to its IPO 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. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

* Represents RM10.

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UUE HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾⁽²⁾
FOR THE FIRST QUARTER ENDED 31 MAY 2024

	CURRENT PERIOD-TO- DATE 31.5.2024 RM'000	PRECEDING PERIOD-TO- DATE 31.5.2023⁽²⁾ RM'000
Cash flows from operating activities		
Profit before tax	7,439	N/A
Adjustments for:		
Amortisation of deferred income	(4)	N/A
Depreciation of property, plant and equipment	371	N/A
Depreciation of right-of-use assets	664	N/A
Interest expenses	433	N/A
Interest income	(6)	N/A
Operating profit before changes in working capital	8,897	N/A
Changes in working capital:		
Inventories	453	N/A
Contract assets/contract liabilities	(2,816)	N/A
Trade and other receivables	(2,842)	N/A
Trade and other payables	(2,312)	N/A
Cash generated from operations	1,380	N/A
Tax paid	(1,106)	N/A
Net cash from operating activities	274	N/A
Cash flows from investing activities		
Purchases of property, plant and equipment	(231)	N/A
Additions of right-of-use assets	(139)	N/A
Placement of pledged deposits with licensed banks	(28)	N/A
Interest received	6	N/A
Net cash used in investing activities	(392)	N/A
Cash flow from financing activities		
Interest paid for borrowings	(316)	N/A
Net drawdown of borrowings	2,969	N/A
Net repayment of lease liabilities	(11)	N/A
Net cash from financing activities	2,642	N/A
Net increase in cash and cash equivalents	2,524	N/A
Effect of exchange rate fluctuations on cash and cash equivalents	(165)	N/A
Cash and cash equivalents at the beginning of financial period	12,158	N/A
Cash and cash equivalents at the end of financial period	14,517	N/A
Cash and cash equivalents at the end of financial period comprises:		
Cash and bank balances	20,001	N/A
Less: Deposits pledged with licensed banks	(5,484)	N/A
	14,517	N/A

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾⁽²⁾
FOR THE FIRST QUARTER ENDED 31 MAY 2024 (CONTINUED)

Notes:

- (1) The above Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 May 2024 in relation to its IPO 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. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (3) N/A – Not applicable.

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A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

This condensed consolidated interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Rule 9.22 and Appendix 9B of Listing Requirements of Bursa Securities.

This is the Company's second interim financial report on the unaudited condensed consolidated financial results for the first quarter ended 31 May 2024 announced by the Company in compliance with the Listing Requirements of Bursa Securities 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 dated 28 May 2024 in relation to its IPO and the accompanying explanatory notes attached to this interim financial report.

A2. Material Accounting Policies

The material accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Accountants' Report as disclosed in the Prospectus dated 28 May 2024 in relation to its IPO except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

Effective for annual period beginning on or after 1 January 2024

Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*
Amendments to MFRS 16 *Lease Liability in a Sale and Leaseback*
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*
Amendments to MFRS 101 *Non-current Liabilities with Covenants*

Effective for annual period beginning on or after 1 January 2025

Amendments to MFRS 121 *Lack of Exchangeability*

Effective for annual period beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*

Effective for annual period beginning on or after 1 January 2027

MFRS 18 *Presentation and Disclosure in Financial Statements*
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Effective date yet to be confirmed

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

The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group upon adoption.

A3. Auditors' Report on Preceding Annual Financial Statements

There were no qualifications on the audited financial statements of the respective companies for the financial year ended 29 February 2024.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

A4. Seasonal or Cyclical Factors

The Group's operation was not significantly affected by any unusual seasonal or cyclical factors in the current quarter and financial period-to-date under review.

A5. Unusual Items Due to Their Nature, Size or Incidence

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the current quarter and financial period-to-date under review.

A6. Material Changes in Estimates

There were no material changes in estimates in the current quarter and financial period-to-date under review.

A7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities by the Group during the interim financial reporting period under review, other than as reported below:

On 18 August 2023, the Company entered into the following agreements:

- (i) a conditional share purchase agreement with Datuk Dr Ting Kok Hwa, Hin Wai Mun and Datuk Ting Meng Pheng to acquire a total of 750,000 ordinary shares in Kum Fatt representing the entire equity interest for a total purchase consideration of RM24.2 million which was satisfied by the issuance of 242,249,900 new Shares to the vendors at an issue price of RM0.10 each.

The purchase consideration for the Acquisition of Kum Fatt of RM24.2 million was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Kum Fatt as at 28 February 2023 of RM24.7 million.

- (ii) a conditional share purchase agreement with Datuk Dr Ting Kok Hwa and Chong Tuoo Choi to acquire a total of 250,000 ordinary shares representing the entire equity interest in Konnection for a total purchase consideration of RM18.2 million which was satisfied by the issuance of 181,740,000 new Shares to the vendors at an issue price of RM0.10 each.

The purchase consideration for the Acquisition of Konnection of RM18.2 million was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Konnection as at 28 February 2023 of RM17.5 million.

- (iii) a conditional share purchase agreement with Datuk Dr Ting Kok Hwa and Hin Wai Mun to acquire a total of 2,400,000 ordinary shares representing the entire equity interest in PPI for a total purchase consideration of RM5.9 million which was satisfied by the issuance of 59,400,000 new Shares to the vendors at an issue price of RM0.10 each.

The purchase consideration for the Acquisition of PPI of RM5.9 million was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of PPI as at 28 February 2023 of RM6.1 million.

The Acquisitions of Kum Fatt, Konnection and PPI were completed on 16 April 2024. Thereafter, Kum Fatt, Konnection and PPI became UUE Holdings Berhad's wholly-owned subsidiaries.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

A8. Dividend Paid

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

A9. Segmental Information

The Group's revenue is segmented as follows:

Revenue by business segment

<u>Business segment</u>	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	31.5.2024	31.5.2023⁽¹⁾	31.5.2024	31.5.2023⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Underground utilities engineering solutions	33,593	N/A	33,593	N/A
Manufacturing and trading of HDPE pipes ⁽²⁾	5,363	N/A	5,363	N/A
	38,956	N/A	38,956	N/A

Notes:

(1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

(2) Being the sales of HDPE pipes to external parties.

(3) N/A – Not applicable.

Revenue by geographical market

<u>Country</u>	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	31.5.2024	31.5.2023⁽¹⁾	31.5.2024	31.5.2023⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Malaysia	31,517	N/A	31,517	N/A
Singapore	7,439	N/A	7,439	N/A
	38,956	N/A	38,956	N/A

Note:

(1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

A10. Material events subsequent to the end of the reporting period

(a) In conjunction with the Company's listing on the ACE Market of Bursa Securities ("**Listing**"), the Company proposes to undertake the IPO at an issue price of RM0.24 per share, comprising:

(I) Public Issue of 124,902,000 new ordinary shares in the Company ("**Shares**") in the following manner ("**Public Issue**"):

- 30,415,000 new Shares available for application by the Malaysian public;
- 40,591,000 new Shares available for application by the eligible directors, employees and persons who have contributed to the success of the Group;
- 38,574,000 new shares by way of private placement to Bumiputera investors approved by the Ministry of Investment, Trade and Industry; and
- 15,322,000 new Shares by way of private placement to selected investors;

and

(II) Offer for sale of 37,463,000 existing shares by way of private placement to Bumiputera investors approved by the Ministry of Investment, Trade and Industry.

The IPO was completed and the Company was listed on the ACE Market of Bursa Securities on 2 July 2024 with the enlarged share capital comprised 608,292,000 Shares.

Save as disclosed above, there were no other material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A11. Changes in the composition of the Group

Acquisition of Kum Fatt, Konnection and PPI

On 18 August 2023, the Company entered into the following agreements:

(a) a conditional share purchase agreement with Datuk Dr Ting Kok Hwa, Hin Wai Mun and Datuk Ting Meng Pheng to acquire a total of 750,000 ordinary shares in Kum Fatt representing the entire equity interest for a total purchase consideration of RM24.2 million which was satisfied by the issuance of 242,249,900 new Shares to the vendors at an issue price of RM0.10 each.

The purchase consideration for the Acquisition of Kum Fatt of RM24.2 million was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Kum Fatt as at 28 February 2023 of RM24.7 million.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

A11. Changes in the composition of the Group (continued)

Acquisition of Kum Fatt, Konnection and PPI (continued)

- (b) a conditional share purchase agreement with Datuk Dr Ting Kok Hwa and Chong Tuoo Choi to acquire a total of 250,000 ordinary shares representing the entire equity interest in Konnection for a total purchase consideration of RM18.2 million which was satisfied by the issuance of 181,740,000 new Shares to the vendors at an issue price of RM0.10 each.

The purchase consideration for the Acquisition of Konnection of RM18.2 million was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Konnection as at 28 February 2023 of RM17.5 million.

- (c) a conditional share purchase agreement with Datuk Dr Ting Kok Hwa and Hin Wai Mun to acquire a total of 2,400,000 ordinary shares representing the entire equity interest in PPI for a total purchase consideration of RM5.9 million which was satisfied by the issuance of 59,400,000 new Shares to the vendors at an issue price of RM0.10 each.

The purchase consideration for the Acquisition of PPI of RM5.9 million was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of PPI as at 28 February 2023 of RM6.1 million.

The Acquisitions of Kum Fatt, Konnection and PPI were completed on 16 April 2024. Thereafter, Kum Fatt, Konnection and PPI became UUE Holdings Berhad's wholly-owned subsidiaries.

A12. Contingent liabilities or contingent assets

Save as contingent liabilities disclosed below, there were no contingent assets as at the date of this interim report:

	31.5.2024 Unaudited RM'000
Performance bond given to third party in respect of contracts	<u>500</u>

A13. Related Party Transactions Disclosures

The recurrent related party transactions between the Group and related parties are as follows:

	<u>QUARTER</u> <u>ENDED</u> 31.5.2024 Unaudited RM'000	<u>PERIOD-TO-</u> <u>DATE ENDED</u> 31.5.2024 Unaudited RM'000
Entities controlled by certain directors:		
- Rental expenses	<u>73</u>	<u>73</u>

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

A14. Capital Commitments

Saved as disclosed below, there are no other material capital commitments as at the end of the current financial quarter under review.

31.5.2024
Unaudited
RM'000

Approved and contracted for:

Purchase of property, plant and equipment

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B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of Financial Performance

	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	31.5.2024	31.5.2023⁽¹⁾	31.5.2024	31.5.2023⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	38,956	N/A	38,956	N/A
Profit before tax	7,439	N/A	7,439	N/A
Profit after tax	5,558	N/A	5,558	N/A

Notes:

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (2) N/A – Not applicable.

The Group recorded revenue of approximately RM38.9 million for the current financial quarter under review mainly contributed from revenue from underground utilities engineering solutions segment which accounted for RM33.6 million, representing 86.4% of the total revenue.

The Group recorded profit before tax of RM7.4 million for current financial quarter under review after deducting expenses, which are mainly attributed to administrative expenses of RM3.7 million.

The administrative expenses consist of directors' remuneration, staff costs, IPO expenses, depreciation, professional fee, maintenance, stamp duty and other general and administrative expenses.

There are no comparative figures for the corresponding preceding quarter's results as this is the second interim financial report being announced by the Company in compliance with the Listing Requirements.

B2. Comparison with Immediate Preceding Quarter's Results

	<u>QUARTER ENDED</u>		<u>Variance</u>	
	31.5.2024	29.2.2024	RM'000	%
	Unaudited	Unaudited		
	RM'000	RM'000		
Revenue	38,956	34,837	4,119	11.8
Gross profit ("GP")	11,635	8,735	2,900	33.2
Profit before tax ("PBT")	7,439	2,118	5,321	251.2
Profit after tax	5,558	1,267	4,291	338.7

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B2. Comparison with Immediate Preceding Quarter's Results (continued)

The Group's revenue for the current quarter increased by RM4.1 million or 11.8% to RM38.9 million as compared to the immediate preceding quarter of RM34.8 million. The increase was mainly attributed to:

- (i) Increase in revenue from manufacturing and trading of HDPE pipes segment by RM2.8 million or 112.0% to RM5.3 million in the current quarter as compared to the immediate preceding quarter of RM2.5 million; and
- (ii) Increase in revenue from underground utilities engineering solutions segment by RM1.3 million or 4.0% to RM33.6 million in the current quarter as compared to the immediate preceding quarter of RM32.3 million.

The Group recognised PBT of RM7.4 million for the current quarter, representing an increase of RM5.3 million or 252.4% as compared to the immediate preceding quarter of RM2.1 million. The increase in PBT was mainly due to higher GP generated from business and absence of impairment loss on receivables and contract assets in the current quarter.

B3. Prospects of the Group

The Group is principally involved in the provision of underground utilities engineering solutions where it specialise in the HDD method of laying pipes, and also employ the open cut and micro trenching excavation methods. The Group is also involved in the manufacturing and trading of HDPE pipes, primarily to support its underground utilities engineering projects in Malaysia and Singapore.

The Group business strategies and plans will be centered on the following areas (as listed in Section 7.18 of the Prospectus):

- (i) expand regionally in Peninsular Malaysia, especially targeting the states of Terengganu, Kelantan and Pahang by securing telecommunications and electricity supply projects;
- (ii) acquire more machinery to expand the range of underground utilities engineering solutions and scale of projects. The Group plans to acquire a maxi rig HDD machine that will enable the Group to venture into the provision of subsea HDD works, thereby expanding its range of underground utilities engineering solutions; and
- (iii) expand the range of underground utilities engineering solutions in Singapore. The Group intends to leverage on the growth prospects of the Singapore market by actively participating in tenders and/or requests for quotations in Singapore for HDD works for electricity distribution projects by leveraging on its project track record, technical expertise and experience of its employees.

The Group aims to leverage the competitive strengths (as listed in Section 7.17 of the Prospectus) as underground utilities engineering solutions provider to maintain sustainable growth and create long-term shareholder value.

B4. Variance of actual profits from profit forecast

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review.

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B5. Tax expense

	QUARTER ENDED		PERIOD-TO-DATE ENDED	
	31.5.2024	31.5.2023⁽²⁾	31.5.2024	31.5.2023⁽²⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Tax expense	1,881	N/A	1,881	N/A
Effective tax rate ⁽¹⁾ (%)	25.3	N/A	25.3	N/A
Statutory tax rate (%)				
- Malaysia	24.0	N/A	24.0	N/A
- Singapore	17.0	N/A	17.0	N/A

Notes:

- (1) The Group's effective tax rate for current quarter and period-to-date was higher than the statutory tax rate mainly due to expenses incurred for IPO which were non-deductible for tax purposes.
- (2) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (3) N/A – Not applicable.

B6. Status of Corporate Proposals

On 2 July 2024, the Company was admitted to the Official List of Bursa Securities and the Company's entire enlarged share capital of 608,292,000 shares was listed and quoted on the ACE Market of Bursa Securities.

Save as disclosed above, there were no other corporate proposals pending completion as at the date of this interim financial report.

B7. Utilisation of proceeds from the Public Issue

The gross proceeds to be raised by the Company from the Public Issue of RM30.0 million shall be utilised in the following manner:

Utilisation of proceeds	Proposed utilisation	Percentage of utilisation	Actual utilisation	Balance to be utilised	Estimated timeframe for utilisation⁽¹⁾
	RM'000	%	RM'000	RM'000	
Purchase of machinery and equipment	15,750	52.6	-	15,750	Within 24 months
General working capital	10,893	36.3	-	10,893	Within 12 months
Estimated listing expenses	3,333	11.1	-	3,333	Within 1 month
	29,976	100.0	-	29,976	

As at 31 May 2024, the IPO was still pending completion and hence, the proceeds had yet to be raised and utilised. The Company was listed on the ACE Market of Bursa Securities on 2 July 2024.

Note:

- (1) From the date of listing of the Company.

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B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B8. Group borrowings and debts securities

	31.5.2024	29.2.2024
	Unaudited	Unaudited
	RM'000	RM'000
Current		
<i>Secured</i>		
Bank overdrafts	-	527
Trade financing	21,729	18,502
Term loans	1,062	1,048
Lease liabilities	2,404	2,092
<i>Unsecured</i>		
Lease liabilities	835	852
Non-current		
<i>Secured</i>		
Term loans	2,513	2,784
Lease liabilities	4,483	3,731
<i>Unsecured</i>		
Lease liabilities	1,977	2,161
Total borrowings	35,003	31,697

The currency exposure profile of borrowings and lease liabilities are as follows:

	31.5.2024	29.2.2024
	Unaudited	Unaudited
	RM'000	RM'000
Ringgit Malaysia	31,774	28,824
Singapore Dollar	3,229	2,873
	35,003	31,697

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B9. Material Litigations

As at 25 July 2024 (being a date not earlier than 7 days from the date of issue of this 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

No dividend was proposed by the Board of Directors for the current quarter under review.

B11. Earnings Per Share

The basic and diluted EPS for the current financial quarter under review and financial period-to-date are computed as follows:

	QUARTER ENDED		PERIOD-TO-DATE ENDED	
	31.5.2024	31.5.2023⁽¹⁾	31.5.2024	31.5.2023⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	5,558	N/A	5,558	N/A
Weighted average number of ordinary shares in issue ('000)	483,390	N/A	483,390	N/A
Weighted average number of diluted ordinary shares in issue ('000)	608,292	N/A	608,292	N/A
Basic EPS (sen) ⁽²⁾	1.1	N/A	1.1	N/A
Diluted EPS (sen) ⁽³⁾	0.9	N/A	0.9	N/A

Notes:

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (2) Basic EPS is calculated based on the Company's issued share capital of 483,390,000 ordinary shares upon completion of the acquisition of Kum Fatt, Konnection and PPI but before the IPO.
- (3) Diluted EPS is calculated based on the Company's enlarged share capital of 608,292,000 shares after the IPO of the Company.
- (4) N/A – Not applicable.

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

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

The following items have been charged/(credited) in arriving at the profit before taxation for the current financial quarter and the profit before taxation for the financial period-to-date:

	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	31.5.2024	31.5.2023⁽¹⁾	31.5.2024	31.5.2023⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
After charging				
/(crediting):				
Amortisation of deferred income	(4)	N/A	(4)	N/A
Depreciation of:				
- property, plant and equipment	371	N/A	371	N/A
- right-of-use assets	664	N/A	664	N/A
Interest expenses	433	N/A	433	N/A
IPO expenses	403	N/A	403	N/A
Realised loss on foreign exchange	57	N/A	57	N/A
Interest income	(6)	N/A	(6)	N/A
Income from training centre	(27)	N/A	(27)	N/A
Government subsidies	(103)	N/A	(103)	N/A
Sales of scrap	(43)	N/A	(43)	N/A
Transport income	(13)	N/A	(13)	N/A

Notes:

(1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

(2) N/A – Not applicable.

B13. Authorisation for Issue

This interim financial report was authorised for issue by the Board on 29 July 2024.