

VERTICE BERHAD
(Company No. 200701007217 / 765218-V)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

	Unaudited		Change %	Unaudited		Change %
	Quarter ended	Quarter ended		Year to date ended	Year to date ended	
	31-Dec-21 RM'000	31-Dec-20 RM'000		31-Dec-21 RM'000	31-Dec-20 RM'000	
Revenue	2,581	21,891	-88%	8,151	32,367	-75%
Cost of sales	(4,498)	(20,502)	-78%	(7,854)	(31,567)	-75%
Gross profit	<u>(1,917)</u>	<u>1,389</u>	-238%	<u>297</u>	<u>800</u>	-63%
Administrative expenses	(1,274)	(1,892)	-33%	(3,914)	(5,906)	-34%
Net allowance for expected credit losses	78	-		136	154	-12%
Other operating income	26	20	30%	121	20	505%
Other operating loss	-	(3,350)	-100%	-	(3,350)	-100%
Profit/(Loss) from operations	<u>(3,087)</u>	<u>(3,833)</u>	-19%	<u>(3,360)</u>	<u>(8,282)</u>	-59%
Finance income	67	6	1017%	211	12	1658%
Finance cost	(6)	(573)	-99%	(56)	(599)	-91%
Net finance (cost)/income	61	(567)	-111%	155	(587)	-126%
Share of result of associate	(1,540)	-		(5,032)	-	
Profit/(Loss) before taxation	<u>(4,566)</u>	<u>(4,400)</u>	4%	<u>(8,237)</u>	<u>(8,869)</u>	-7%
Income tax reversal / (expense)	(84)	-		(84)	(95)	-12%
Profit/(Loss) after taxation	<u>(4,650)</u>	<u>(4,400)</u>	6%	<u>(8,321)</u>	<u>(8,964)</u>	-7%
Loss from discontinued operation, net of tax	-	7,695	-100%	-	-	
Profit/(Loss) for the period	<u>(4,650)</u>	<u>3,295</u>	-241%	<u>(8,321)</u>	<u>(8,964)</u>	-7%
Other comprehensive income						
Fair value gain/(loss) on equity investments designated at fair value through other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss)	<u>(4,650)</u>	<u>3,295</u>	-241%	<u>(8,321)</u>	<u>(8,964)</u>	-7%
Net profit/(loss) attributable to:						
Owners of the Company	(3,385)	3,064		(6,899)	(9,348)	
Non-controlling interests	(1,265)	231		(1,422)	384	
	<u>(4,650)</u>	<u>3,295</u>		<u>(8,321)</u>	<u>(8,964)</u>	
Total comprehensive income/(loss) attributable to:						
Owners of the Company	(3,385)	3,064		(6,899)	(9,348)	
Non-controlling interests	(1,265)	231		(1,422)	384	
	<u>(4,650)</u>	<u>3,295</u>		<u>(8,321)</u>	<u>(8,964)</u>	
Earning/(Loss) per share attributable to equity holders of the parent:						
Basic (sen)	<u>-1.27</u>	<u>1.56</u>		<u>-2.59</u>	<u>-4.76</u>	
Diluted (sen)	<u>N/A</u>	<u>1.23</u>		<u>N/A</u>	<u>N/A</u>	

The unaudited condensed consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited Financial Statements for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to the interim consolidated Financial Statements.

VERTICE BERHAD
(Company No. 200701007217 / 765218-V)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	As at 31-Dec-21 RM'000 (Unaudited)	As at 31-Mar-21 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment		107	966
Right of use assets		1,467	2,981
Investment in associate		17,397	7,549
Other investments		9,860	9,860
Trade receivables	B7 (i)	2,110	9,524
		<u>30,941</u>	<u>30,880</u>
Current Assets			
Contract assets		7,560	19,544
Trade receivables	B7 (i)	30,693	39,015
Other receivables, deposits and prepayments	B7 (ii)	25,479	10,140
Amount due from associate company		6,065	23,330
Tax recoverable		1,287	2,969
Cash and bank balances		13,185	6,435
		<u>84,269</u>	<u>101,433</u>
Asset held for sale		-	-
Total current assets		<u>84,269</u>	<u>101,433</u>
TOTAL ASSETS		<u>115,210</u>	<u>132,313</u>
EQUITY AND LIABILITIES			
Current Liabilities			
Contract liabilities		-	-
Trade payables		2,410	26,827
Other payables, deposits and accruals		6,692	737
Borrowings	B6	296	467
Finance Lease Rental		-	320
		<u>9,398</u>	<u>28,351</u>
Non Current Liabilities			
Borrowings	B6	1,233	1,410
Finance Lease Rental		-	816
Deferred tax liabilities		-	-
Trade payables		1,136	1,649
		<u>2,369</u>	<u>3,875</u>
Total Liabilities		<u>11,767</u>	<u>32,226</u>
Capital and reserves			
Share capital		139,820	128,143
Reserves		-	455
Accumulated losses		(39,187)	(32,743)
		<u>100,633</u>	<u>95,855</u>
Non-controlling interests		2,810	4,232
Total Equity		<u>103,443</u>	<u>100,087</u>
TOTAL EQUITY AND LIABILITIES		<u>115,210</u>	<u>132,313</u>
Net Asset per share (in RM)		<u>0.32</u>	<u>0.36</u>

The unaudited condensed consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to the interim consolidated Financial Statements.

VERTICE BERHAD
(Company No. 200701007217 / 765218-V)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2021
(THE FIGURES HAVE NOT BEEN AUDITED)

	← Attributable to owners of the Company →						Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Non-Distributable		Distributable	Total RM'000			
		Share Options Reserve RM'000	Fair Value Adjustment Reserve RM'000					
As At 1 April 2021	128,143	455	-	(32,743)	95,855	4,232	100,087	
Share option value	-	(455)	-	455	-	-	-	
Exercise of share option	-	-	-	-	-	-	-	
Shares issued during the period								
- Private Placement	11,677	-	-	-	11,677	-	11,677	
- Share issuance scheme	-	-	-	-	-	-	-	
- Conversion of redeemable convertible preference shares	-	-	-	-	-	-	-	
	11,677	-	-	-	11,677	-	11,677	
Disposal of asset held for sale	-	-	-	-	-	-	-	
Total comprehensive loss for the period	-	-	-	(6,899)	(6,899)	(1,422)	(8,321)	
As At 31 December 2021	139,820	-	-	(39,187)	100,633	2,810	103,443	
As At 1 April 2020	114,097	-	-	(12,844)	101,253	3,268	104,521	
Share option value	-	688	-	-	688	-	688	
Exercise of share option	233	(233)	-	-	-	-	-	
Shares issued during the period								
- Private Placement	4,297	-	-	-	4,297	-	4,297	
- Share issuance scheme	840	-	-	-	840	-	840	
- Conversion of redeemable convertible preference shares	3,050	-	-	-	3,050	-	3,050	
	8,187	-	-	-	8,187	-	8,187	
Disposal of asset held for sale	-	-	-	-	-	899	899	
Total comprehensive loss for the period	-	-	-	(9,348)	(9,348)	384	(8,964)	
As At 31 December 2020	122,517	455	-	(22,192)	100,780	4,551	105,331	

The unaudited condensed consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to the interim consolidated Financial Statements.

VERTICE BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 DECEMBER 2021

	Unaudited 31-Dec-21 RM'000	Unaudited 31-Dec-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax from continuing operations	(8,237)	(8,869)
Loss before tax from discontinued operations	-	-
Adjustments for:		
Amortisation & depreciation	549	1,156
Bad debt written off	-	71
Impairment loss/(reversal)	(136)	(154)
Equity share-based payment	-	688
Finance income	(197)	-
Interest income	(14)	(12)
Interest expenses	56	599
Gain on disposal of property, plant & equipment	(35)	-
Loss on disposal of subsidiary	-	3,350
Share of results of associate	5,032	-
Right of use assets written off	(26)	-
Property, plant & equipment written off	-	-
Inventories written off	-	-
Inventories written down	-	-
Operating loss before working capital changes	(3,008)	(3,171)
Changes in contract assets/liabilities -net	1,109	(18,300)
Decrease/(Increase) in trade and other receivables	28,637	(61)
Increase/(Decrease) in trade and other payables	(18,937)	(1,556)
Decrease/(Increase) in inventories	-	-
Cash used in operations	7,801	(23,088)
Income tax paid	(301)	(714)
Income tax refunded	1,897	3,072
Net cash from/(used in) operating activities	9,397	(20,730)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant & equipment	-	(7)
Investment in associate	(14,880)	-
Proceeds from disposal of subsidiary	-	16,414
Proceeds from disposal of plant & equipment	750	-
Increase in fixed deposits pledged	(45)	-
Interest received	211	12
Net cash (used in)/from investing activities	(13,964)	16,419
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(56)	(599)
Repayment of lease liabilities	(348)	-
Repayment of term loan	-	-
Proceeds from bank borrowings	-	2,991
Repayment of bank borrowings	-	(659)
Proceeds from private placement	11,676	4,297
Proceeds from share issuance scheme	-	840
Issuance of redeemable convertible preference shares	-	3,050
Repayment of BA	-	-
Net cash from/(used in) financing activities	11,272	9,920
Net changes in cash and cash equivalents	6,705	5,609
Cash and cash equivalents brought forward	6,405	2,960
Cash and cash equivalents carried forward	13,110	8,569
Cash and cash equivalents comprise:		
<u>Continuing operations</u>		
Fixed deposits	75	-
Cash and bank balances	13,110	8,937
Bank overdrafts	-	(368)
	13,185	8,569
Less: Deposits pledged	(75)	-
	13,110	8,569
<u>Discontinued operations</u>		
Fixed deposits	-	-
Cash and bank balances	-	-
Bank overdrafts	-	-
	13,110	8,569

The unaudited condensed consolidated Statement of Cash Flow should be read in conjunction with the audited Financial Statements for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to the interim consolidated Financial Statements.

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

PART A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134

A1. Basis of Preparation

The unaudited condensed interim financial statements for the third quarter ended 31 December 2021 have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes.

The accounting policies and methods of computation adopted in these interim financial statements of the Group are consistent with those adopted in the annual audited financial statements for the financial year ended 31 March 2021, included the adoption of all the applicable MFRSs and IC Interpretations that are relevant and effective for the financial period beginning on or after 1 January 2018.

The adoption of the MFRSs and IC Interpretations which are applicable to the Group did not have any significant impact on the interim financial statements of the Group.

A2. Audited Report Of Preceding Annual Financial Statements

The audited financial statements for the financial year ended 31 March 2021 was not subject to any qualification.

A3. Seasonal Or Cyclical Factors

The construction business of the Group is not affected by any seasonal or cyclical factors.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income Or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature in size or incidence during the current quarter under review.

A5. Material Changes In Estimates

There were no material changes in the estimates of amounts reported that have material effect on the results for the current quarter under review.

A6. Issuances, Cancellations, Repurchases, Resale And Repayments Of Debt and Equity Securities

Pursuant to the corporate exercise undertaken in relation to the proposed private placement which was completed on 30 December 2021, the Group had issued 53,196,600 placement shares during the current quarter raising a total of RM11,820,285. Other than this, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter under review.

A7. Dividend Paid

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

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

PART A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134

A8. Segmental Reporting

The Group's business segmental information for the financial period to date is as follows. There were no disclosure on geographical segment as its revenue from segment other than Malaysia is insignificant.

	Revenue		Profit/(Loss) before tax	
	Year To Date Ended		Year To Date Ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	RM'000	RM'000	RM'000	RM'000
Constructions	8,151	32,367	(852)	(1,056)
Investment holdings and others	-	-	(7,385)	(7,813)
	<u>8,151</u>	<u>32,367</u>	<u>(8,237)</u>	<u>(8,869)</u>

A9. Valuation of Property, Plant and Equipment

The property, plant and equipment of the Group have not been revalued during the current quarter under review.

A10. Changes In The Composition of The Group

There were no material changes to the composition of the Group for the current quarter under review except for the incorporation of 2 new subsidiaries as follows:

(1) Infraharta Construction Sdn Bhd was incorporated on 16 December 2021 as a 80% owned subsidiary of Vertice Berhad. This subsidiary changed its name to Infraharta Bina Sdn Bhd on 8 February 2022.

(2) Wande Development Sdn Bhd was incorporated on 23 December 2021 as a 100% owned subsidiary of Vertice Berhad.

A11. Contingent Liabilities and Contingent Assets

There were no material contingent liabilities, either secured or unsecured and contingent assets of the Group as at the end of the current quarter.

A12. Commitments

There were no material capital commitments approved or contracted for as at 31 December 2021.

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Group's Results For The Current Quarter and Year-To-Date Ended 31 December 2021

	Quarter ended		Changes	Year To Date Ended		Changes
	31-Dec-21	31-Dec-20		31-Dec-21	31-Dec-20	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	2,581	21,891	(19,310)	8,151	32,367	(24,216)
Profit/(Loss) before taxation	(4,566)	(4,400)	(166)	(8,237)	(8,869)	632
Profit/(Loss) after taxation	(4,650)	(4,400)	(250)	(8,321)	(8,964)	643
Comprehensive income/(loss) attributable to equity holders of the parent	(3,385)	3,064	(6,449)	(6,899)	(9,348)	2,449

Construction

The construction business recorded a turnover of RM2.6 million in the current quarter which was lower than the preceding year corresponding quarter of RM21.9 million. The revenue in the current period was lower as most of the older projects had their contracts ended prematurely on grounds of feasibility to continue after prolonged periods of slowdown in work progress. This also included the mutual termination of the Penang Package 2 project which saw downward adjustment to its revenue recognised in anticipation of final lower billings. Overall, current year to date revenue was RM8.2 million as compared to preceding year to date revenue of RM32.4 million. The current year to date revenue was lower as during the first 2 quarters of the current financial year, the Movement Control Order had significantly affected progress of construction works, besides the reason mentioned for the current quarter.

Loss before tax was recorded at RM4.6 million in the current quarter compared to loss before tax of RM4.4 million in the preceding year corresponding quarter mainly due to the downward adjustment in revenue recognised for the Penang Package 2 project in the current quarter, resulting in gross loss of approximately RM2.06 million for the said project. Overall, current year to date loss before tax was RM8.2 million as compared to preceding year to date loss before tax of RM8.9 million. The main reason for this was due to lesser overall activity in the current financial period, besides the fact that during the previous financial period, there was equity share based payment expenses of RM0.7 million from the implementation of the Share Issuance Scheme.

B2. Variation Of Results For The Current Quarter Against Immediate Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Change	
	31-Dec-21	30-Sep-21	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	2,581	3,492	(911)	-26%
Profit/(Loss) from operations	(3,087)	743	(3,830)	-515%
Profit/(Loss) before taxation	(4,566)	(1,263)	(3,303)	262%
Profit/(Loss) after taxation	(4,650)	(1,263)	(3,387)	268%
Comprehensive income/(loss) attributable to equity holders of the parent	(3,385)	(1,181)	(2,204)	187%

Construction

The Group recorded the construction revenue of RM2.6 million in the current quarter, representing a decrease of RM0.9 million over the immediate preceding quarter, mainly due to the downward adjustment in revenue recognised for the Penang Package 2 project in the current quarter as explained in note B1.

The loss before tax in current quarter of RM4.6 million was higher as compared to immediate preceding quarter of RM1.3 million mainly due to budgeted costs of a particular project revised downwards upon final account issued in the immediate preceding quarter, while on the other hand, the current quarter saw a downward adjustment in revenue recognised for the Penang Package 2 project resulting in gross loss of approximately RM2.06 million.

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

**PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD**

B3. Group's Prospects

On the construction arm, the Group's outstanding order book stands at approximately RM52.62 million after the mutual termination of the Package 2, Penang Mega Infrastructure Project.

During the current quarter, the Group has set up a property development arm parked under the newly incorporated 100% owned subsidiary, Wande Development Sdn Bhd. Negotiations have already begun to acquire another subsidiary whose principal activities are property development and property investment holdings. The Group intends to grow this sector targeting markets in Penang, Klang Valley and East Malaysia.

With the above set up, the Group has now positioned itself into 2 main sectors, namely construction and property development to boost its future earnings. We remain cautiously optimistic of our future performance with the expected gradual recovery in the overall economic climate while continuing to replenish and beef up our order books.

B4. Variance Of Profit Forecast

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

B5. Income Tax Expense

The breakdown of income tax expense is as follows:-

	Current Quarter	Year to Date
	31-Dec-21	31-Dec-21
	RM'000	RM'000
Current year tax expense	-	-
Under/(over) provision in prior year	84	84
Deferred tax expenses/(reversal)	-	-
	<u>84</u>	<u>84</u>

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B6. Group Borrowings and Debt Securities

The Group's borrowings are as follows:-

	Quarter ended 31-December-2021			Quarter ended 31-December-2020		
	Secured Debt RM'000	Unsecured Debt RM'000	Total RM'000	Secured Debt RM'000	Unsecured Debt RM'000	Total RM'000
<u>Short-term borrowings</u>						
Hire purchase creditors	296	-	296	420	-	420
Bridging loan	-	-	-	2,991	-	2,991
Bank overdrafts	-	-	-	368	-	368
	<u>296</u>	<u>-</u>	<u>296</u>	<u>3,779</u>	<u>-</u>	<u>3,779</u>
<u>Long-term borrowings</u>						
Hire purchase creditors	1,233	-	1,233	1,337	-	1,337
	<u>1,233</u>	<u>-</u>	<u>1,233</u>	<u>1,337</u>	<u>-</u>	<u>1,337</u>

The Group does not have any foreign currency borrowings as at 31 December 2021. All borrowings indicated above are denominated in Ringgit Malaysia.

B7. Receivables, deposits and prepayments

The ageing analysis of the Group's trade receivables and other receivables breakdown are as follows:-

	As at 31-Dec-21 RM'000	As at 31-Mar-21 RM'000
(i) Trade receivables from contracts with customers	36,960	52,832
Less: Impairment losses	(4,157)	(4,293)
	<u>32,803</u>	<u>48,539</u>
(ii) Other receivables	15,813	586
Deposits and prepayments	9,666	9,554
	<u>25,479</u>	<u>10,140</u>

B8. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

B9. Dividend Proposed

No dividend has been declared during the current quarter under review.

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B10. Earnings Per Share ("EPS")

Basic EPS

The basic earnings per share of the Group is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue.

	Current Quarter Year to Date	
	31-Dec-21	31-Dec-21
	RM'000	RM'000
Earnings attributable to owners of the Company	<u>(3,385)</u>	<u>(6,899)</u>
Number of ordinary shares ('000)	266,370	266,370
Adjustment for assumed exercise of warrants ('000)	-	-
Adjustment for assumed exercise of Share Issuance Scheme ('000)	-	-
Adjustment for number of ordinary shares from issuance of RCPS ('000)	-	-
Adjustment for assumed exercise of Proposed Private Placement ('000)	-	-
Adjustment for assumed number of ordinary shares issued and issuable ('000)	<u>266,370</u>	<u>266,370</u>
Earnings/(loss) per ordinary share (sen)		
Basic	(1.27)	(2.59)
Diluted	<u>N/A</u>	<u>N/A</u>

B11. Significant Event Subsequent to Reporting Period

There was no significant event subsequent to this reporting period.

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B12. Status of Corporate Proposal Announced

(1) On 30 September 2020, the Company entered into a subscription agreement with the RCPS Subscribers in relation to the Proposed Issuance of RCPS totalling an aggregate principle amount of up to RM60.0 million to undertake the following:-

(i) proposed Issuance of up to 600,000,000 new 2% cumulative redeemable convertible preference shares in Vertice ("RCPS") at an issue price of RM0.10 each ("RCPS Issue Price") to Advance Opportunities Fund ("AOF") and Advance Opportunities Fund I ("AOF I") (collectively, AOF and AOF I are referred to as the "RCPS Subscribers") ("Proposed Issuance of RCPS"); and

(ii) proposed amendments to the Constitution of the Company to facilitate the implementation of the Proposed Issuance of RCPS ("Proposed Amendments")

The proposed Issuance of RCPS and Proposed Amendments were approved by shareholders at the Extraordinary General Meeting on 11 December 2020. As at 24 December 2020, a total principal amount of RM4,000,000 had been subscribed and such RCPS had been fully converted into 21,893,814 number of ordinary shares. As at 20 January 2021, another total principal amount of RM6,000,000 had been subscribed and such RCPS had been fully converted into 33,453,305 number of ordinary shares.

The status of utilisation of the proceeds raised from the Proposed Issuance of RCPS are as follows:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation	Yet to be utilised amount RM'000	%	Explanation (if "Yet to be utilised" is 5% or more)
(i) Funding for construction business segment	7,633	7,633	Within 3 years	-	-	-
(ii) Working Capital	1,043	1,043	Within 1 year	-	-	-
(iii) Estimated expenses relating to the proposals	1,324	1,324	Within 3 years	-	-	-
Total	10,000	10,000		-		

(2) On 5 November 2021, the Company proposed and resolved to undertake a private placement up to a maximum of 53,196,600 placement shares which represents approximately 20% of the total number of 265,983,119 issued shares. Based on the General Mandate obtained from shareholders at the last AGM on 28 September 2021, the Company is authorised to allot and issue new shares not exceeding 20% of the issued share capital of the Company. This Mandate may be utilised until 31 December 2021 and thereafter, the 10% limit will be reinstated. Further to that, Bursa Securities had on 11 November 2021 approved the listing and quotation of up to 53,196,600 placement shares to be issued pursuant to the private placement. On 30 December 2021, the private placement was completed following the listing and quotation of 53,196,600 placement shares on the Main Market of Bursa Securities and the Company has raised a total of RM11,820,285 from the private placement.

During the quarter, the status of utilisation of the proceeds raised from the private placement are as follows:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation	Yet to be utilised amount RM'000	%	Explanation (if "Yet to be utilised" is 5% or more)
(i) Construction project expenditure	11,674	-	Within 3 years	11,674	100%	Note 1
(ii) Expenses for the private placement	146	146	Immediate	-	-	-
Total	11,820	146		11,674		

Note 1 : The proceeds allocated for construction project expenditure is expected to be fully utilised within 36 months based on the estimated completion dates of the identified projects.

B13. Authorization For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 February 2022.