



## **ECOSCIENCE INTERNATIONAL BERHAD**

Registration No. 202001024633 (1380953-M)  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2022 <sup>(1)</sup>**

	Individual Quarter		Cumulative Quarter	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Current Year Quarter 31.3.2022 RM'000	Preceding Year Quarter 31.3.2021 <sup>(2)</sup> RM'000	Current Year To Date 31.3.2022 RM'000	Preceding Year To Date 31.3.2021 <sup>(2)</sup> RM'000
Revenue	25,707	N/A	25,707	N/A
Cost of sales	(21,066)	N/A	(21,066)	N/A
<b>Gross profit</b>	4,641	N/A	4,641	N/A
Other income	60	N/A	60	N/A
Administrative expenses	(2,656)	N/A	(2,656)	N/A
Other operating expenses	(6)	N/A	(6)	N/A
Finance costs	(460)	N/A	(460)	N/A
<b>Profit before tax</b>	1,579	N/A	1,579	N/A
Income tax expense	(405)	N/A	(405)	N/A
<b>Profit after tax ("PAT")</b>	1,174	N/A	1,174	N/A
Other comprehensive expense <sup>(3)</sup>	(140)	N/A	(140)	N/A
<b>Total comprehensive income</b>	1,034	N/A	1,034	N/A
<b>PAT attributable to:</b>				
- Owners of the Company	1,174	N/A	1,174	N/A
- Non-controlling interest	-	N/A	-	N/A
	1,174	N/A	1,174	N/A
<b>Total comprehensive income attributable to:</b>				
- Owners of the Company	1,034	N/A	1,034	N/A
- Non-controlling interest	-	N/A	-	N/A
	1,034	N/A	1,034	N/A
<b>Attributable to equity holders of the company<sup>(4)</sup>:</b>				
- Basic earnings per share (sen)	0.46	N/A	0.46	N/A
- Diluted earnings per share (sen)	0.46	N/A	0.46	N/A

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

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Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 21 June 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report on the Company's unaudited condensed consolidated financial statements for the first quarter ended 31 March 2022 announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and as such, there are no comparative figures for the preceding year's corresponding quarter.
- (3) Being the foreign currency translation differences which will be reclassified subsequently to the profit or loss.
- (4) Earnings per share is calculated based on the PAT attributable to owners of the Company for the financial period divided by the Company's weighted average number of ordinary shares in issue referred to in Note B11.

***N/A – Not applicable***

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022 <sup>(1)</sup>**

	(Unaudited) As at 31.3.2022 RM'000	(Audited) As at 31.12.2021 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	24,821	24,864
Other investments	2,069	2,069
	26,890	26,933
<b>Current assets</b>		
Inventories	18,243	15,213
Trade receivables	18,339	12,600
Other receivables, deposits and prepayments	3,876	7,284
Contract assets	49,166	42,866
Current tax assets	3,739	3,491
Fixed deposits with licensed banks	13,689	13,519
Cash and bank balances	3,547	6,507
	110,599	101,480
<b>TOTAL ASSETS</b>	137,489	128,413
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	51,566	51,566
Foreign exchange translation reserve	(389)	(249)
Merger deficit	(45,209)	(45,209)
Retained profits	54,231	53,057
<b>TOTAL EQUITY</b>	60,199	59,165
<b>Non-current liabilities</b>		
Term loans	8,141	8,688
Lease liabilities	507	485
Deferred tax liabilities	2,348	2,421
	10,996	11,594
<b>Current liabilities</b>		
Trade payables	21,488	16,103
Other payables and accruals	7,870	9,943
Provisions	810	810
Contract liabilities	26	- <sup>^</sup>
Bank overdrafts	11,286	11,758
Lease liabilities	305	443
Term loans	1,123	1,033
Short-term borrowings	22,417	16,674
Current tax liabilities	969	890
	66,294	57,654
<b>TOTAL LIABILITIES</b>	77,290	69,248
<b>TOTAL EQUITY AND LIABILITIES</b>	137,489	128,413
Number of ordinary shares ('000)	<b>257,831</b>	<b>257,831</b>
Net assets per ordinary share (RM) <sup>(2)</sup>	0.23	0.23

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

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Notes:

^ - Amount is less than RM500

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 21 June 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on net assets divided by the Company's share capital of 257,830,500 ordinary shares as at 31 March 2022.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2022 <sup>(1)</sup>**

<u>Unaudited</u>	<b>Share Capital RM'000</b>	<b><u>Non-Distributable</u></b>		<b><u>Distributable</u></b>	
		<b>Merger Deficit RM'000</b>	<b>Foreign Exchange Translation Reverse RM'000</b>	<b>Retained Profits RM'000</b>	<b>Total Equity RM'000</b>
As at 1 January 2022	51,566	(45,209)	(249)	53,057	59,165
Profit after tax for the financial period	-	-	-	1,174	1,174
Other comprehensive expenses for the financial period	-	-	(140)	-	(140)
Total comprehensive income for the financial period	-	-	(140)	1,174	1,034
<b>Balance as at 31 March 2022</b>	<b>51,566</b>	<b>(45,209)</b>	<b>(389)</b>	<b>54,231</b>	<b>60,199</b>

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 Accountants' Report as disclosed in the Prospectus dated 21 June 2022 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS <sup>(1)</sup>**

	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>Current</b>	<b>Preceding</b>
	<b>Year To Date</b>	<b>Corresponding</b>
	<b>31.3.2022</b>	<b>Year To Date</b>
	<b>RM'000</b>	<b>31.3.2021</b>
		<b>RM'000</b>
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>		
Profit before tax	1,579	N/A
Adjustments for:		
Depreciation of property, plant and equipment	261	N/A
Interest expenses	415	N/A
Interest income	(8)	N/A
Operating profit before working capital changes	2,247	N/A
Increase in inventories	(3,030)	N/A
Increase in trade and other receivables	(2,331)	N/A
Increase in contract assets	(6,300)	N/A
Increase in trade and other payables	3,312	N/A
Increase in contract liabilities	26	N/A
<b>CASH FLOWS FOR OPERATIONS</b>	<b>(6,076)</b>	<b>N/A</b>
Tax paid	(641)	N/A
Tax refunded	-	N/A
<b>NET CASH FOR OPERATING ACTIVITIES</b>	<b>(6,717)</b>	<b>N/A</b>
<b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>		
Interest received	8	N/A
Purchase of property, plant and equipment	(243)	N/A
Placement of fixed deposits pledged with licensed banks	(170)	N/A
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(405)</b>	<b>N/A</b>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Drawdown of short-term borrowings	17,925	N/A
Interest paid	(415)	N/A
Repayment of short-term borrowings	(12,182)	N/A
Repayment of term loans	(471)	N/A
Repayment of lease liabilities	(116)	N/A
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>4,741</b>	<b>N/A</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,381)</b>	<b>N/A</b>
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(107)	N/A
CASH AND CASH EQUIVALENTS		
AT BEGINNING OF THE FINANCIAL PERIOD	(5,251)	N/A
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT END OF THE FINANCIAL PERIOD</b>	<b>(7,739)</b>	<b>N/A</b>

Note:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 21 June 2022 and the accompanying explanatory notes attached to this interim financial report.

**N/A – Not applicable**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

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**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING**

**A1 Basis of Preparation**

The interim financial report of Ecoscience International Berhad (“**EIB**” or the “**Company**”) and its subsidiaries (the “**Group**”) are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“**MFRS**”) 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Securities (“**Listing Requirements**”).

This is the first interim financial report on the Company’s unaudited condensed consolidated financial results for the first quarter ended 31 March 2022 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding quarter.

The interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 21 June 2022 and the accompanying explanatory notes attached to this interim financial report.

**A2 Significant Accounting Policies**

Save as disclosed below, the significant accounting policies and presentation adopted for the interim financial statements are consistent with those adopted as disclosed in the Accountants’ Report in the Prospectus of the Company dated 21 June 2022.

- i. During the current financial period, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

**MFRSs (Including The Consequential Amendments)**

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018-2020

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

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**A2 Significant Accounting Policies (Cont'd)**

- ii. The Group has not applied in advance any accounting standards and / or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the financial period ended 31 March 2022.

<b>MFRSs (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax Related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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

**A3 Auditors' Report of Preceding Annual Financial Statements**

The audited financial statements of the Group for the financial year ended 31 December 2021 were not subject to any qualification.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

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**A4 Seasonal or Cyclical Factors**

The nature of the Group's business was not subject to any significant seasonal and cyclical factors.

**A5 Exceptional Items**

There were no material exceptional items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

**A6 Material Changes in Accounting Estimates**

There were no material changes in estimates during the current financial quarter under review.

**A7 Debt and Equity Securities**

Save as disclosed in Note A12 below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

**A8 Dividend Paid**

There were no dividends paid during the current financial quarter under review.

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**A9 Segmental Reporting**

The Group's revenue is organised into the 3 main reportable segments as follows:-

- Construction of Plants and Facilities Segment
- Fabrication of Equipment Segment
- Supply of Materials and Equipment Segment
- Other Activities Segment

The segmental analysis of Group's revenue are set out as follows:

	Individual Quarter		Cumulative Quarter	
	(Unaudited) 31.3.2022	(Unaudited) 31.3.2021 <sup>(1)</sup>	(Unaudited) 31.3.2022	(Unaudited) 31.3.2021 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Construction of Plants and Facilities	12,043	N/A	12,043	N/A
Fabrication of Equipment	10,826	N/A	10,826	N/A
Supply of Materials and Equipment	2,576	N/A	2,576	N/A
Other Activities	262	N/A	262	N/A
<b>Total</b>	<b>25,707</b>	<b>N/A</b>	<b>25,707</b>	<b>N/A</b>

The Group's revenue by geographical location which the customers are located are set out as follows:

	Individual Quarter		Cumulative Quarter	
	(Unaudited) 31.3.2022	(Unaudited) 31.3.2021 <sup>(1)</sup>	(Unaudited) 31.3.2022	(Unaudited) 31.3.2021 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Malaysia	13,622	N/A	13,622	N/A
Gabon	9,473	N/A	9,473	N/A
Indonesia	2,350	N/A	2,350	N/A
Liberia	262	N/A	262	N/A
<b>Total</b>	<b>25,707</b>	<b>N/A</b>	<b>25,707</b>	<b>N/A</b>

Note:

(1) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first quarter ended 31 March 2022 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding quarter.

**N/A – Not applicable**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

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**A10 Valuation of Property, Plant and Equipment**

There was no valuation of property, plant and equipment in the current financial quarter under review.

**A11 Capital Commitments**

There were no material capital commitments during the current financial quarter under review.

**A12 Material Subsequent Event**

In conjunction with the Company's listing on the ACE Market of Bursa Securities, on 21 June 2022, the Company issued its Prospectus for its initial public offering ("**IPO**") entailing public issue of 82,169,500 new ordinary shares and offer for sale of 30,000,000 existing ordinary shares (collectively, the "**IPO Shares**") in the following manner:

- (a) 17,000,000 IPO Shares available for application by the Malaysian public;
- (b) 6,800,000 IPO Shares available for application by eligible directors, employees and persons who have contributed to the success of the Group; and
- (c) 88,369,500 IPO Shares by way of private placement, of which 45,869,500 IPO Shares are allocated to the selected investors and 42,500,000 IPO Shares are allocated to identified Bumiputera investors approved by Ministry of International Trade and Industry,

at an IPO price of RM0.30 per share.

Upon completion of the IPO, the Company is expected to be admitted to the Official List of Bursa Securities and the Company's entire enlarged issued share capital of 340,000,000 ordinary shares shall be listed and quoted on the ACE Market of Bursa Securities.

Save as disclosed above, there were no other material events subsequent to the end of the current financial quarter that have not been reflected in the interim financial reports for the said period as at the date of this interim financial report.

**A13 Changes in the Composition of the Group**

There were no other material changes in the composition of the Group for the current financial quarter under review.

**A14 Contingent Assets or Contingent Liabilities**

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>As at</b>	<b>As at</b>
	<b>31.3.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Performance guarantees extended to third parties	3,868	3,830

**A15 Significant Related Party Transactions**

There were no related party transactions in the current financial quarter under review.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

**PART B – EXPLANATORY NOTES PERSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1 Performance Review**

The Group recorded a revenue of RM25.7 million and profit before tax of RM1.6 million for the current financial quarter ended 31 March 2022.

The Group's revenue was mainly derived from the construction of plants and facilities segment (RM12.0 million), and fabrication of equipment segment (RM10.8 million), which jointly represented 88.7% of the Group's total revenue. Malaysia was the largest market contributed approximately 53.0% to the Group's total revenue for current financial quarter under review. During the current financial quarter under review, the Group had secured new projects, for which substantial works were expected to commence subsequent to 31 March 2022.

**B2 Comparison with Immediate Preceding Quarter Results**

	Individual Quarter		Changes	
	Current Quarter 31.3.2022 RM'000	Preceding Quarter <sup>(1)</sup> 31.3.2021 RM'000	RM'000	%
Revenue	25,707	N/A	N/A	N/A
Profit before tax	1,579	N/A	N/A	N/A

Note:

(1) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first quarter ended 31 March 2022 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding quarter.

***N/A – Not applicable***

**B3 Prospect and Outlook for the Current Financial Year**

As disclosed in the Prospectus of the Company dated 21 June 2022, besides continually focusing on its core competencies and markets, the Group will implement the following business strategies and plans:

- (a) to establish new fabrication facility and office in Indonesia; and
- (b) to expand its environmental and energy efficiency business.

According to Bank Negara Malaysia, Malaysia's economy is projected to expand with real gross domestic product between 5.3% and 6.3% in 2022, underpinned by continued expansion in external demand, full upliftment of containment measures, reopening of international borders, and a further improvement in labour market conditions. The recovery of Malaysia's economy will be supported by eight economic stimulus packages provided by the Malaysian government with a total allocation of RM530 billion.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

The development in the Indonesia economy, moving forward, including the agriculture industry will be dependent on the effectiveness of the management of the COVID-19 pandemic, as well as monetary and fiscal policies including the National Economic Recovery Programme introduced by the government of Indonesia with a total allocation of Rp744.75 trillion as at the end of 2020 to support the Indonesia economy during the COVID-19 pandemic.

As disclosed in the Prospectus, the Group has a total unrecognised contract value of RM107.0 million as of 27 May 2022, of which RM70.1 million are expected to be recognised in the financial year ending 31 December 2022. In addition, the Group had tendered for 17 projects with an estimated aggregate value of RM781.0 million, of which 6 projects (with an estimated aggregate value of RM543.1 million) are in advanced stage of negotiation. The outcome of the 17 tendered projects are expected to be known by the fourth quarter of 2022.

The Group remains cautiously optimistic of the performance for the following quarters and will continue to tender and secure new projects to sustain its order book.

**B4 Variance of Actual Profit from Forecast Profit**

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

**B5 Tax Expense**

	Individual Quarter		Cumulative Quarter	
	Unaudited 31.3.2022 RM'000	Unaudited 31.3.2021 <sup>(1)</sup> RM'000	Unaudited 31.3.2022 RM'000	Unaudited 31.3.2021 <sup>(1)</sup> RM'000
Current tax expense:				
- Current financial period	332	N/A	332	N/A
- Overprovision in prior year	-	N/A	-	N/A
	<u>332</u>	<u>N/A</u>	<u>332</u>	<u>N/A</u>
Deferred tax expense:				
- Relating to origination of temporary differences	73	N/A	73	N/A
- Underprovision in prior year	-	N/A	-	N/A
Total tax expense	<u>405</u>	<u>N/A</u>	<u>405</u>	<u>N/A</u>
Effective tax rate <sup>(2)</sup>	25.6%	N/A	25.6%	N/A

Notes:

(1) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first quarter ended 31 March 2022 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding quarter.

(2) The Group's effective tax rate for current first quarter ended 31 March 2022 is higher than the statutory tax rate of 24.0% mainly due to certain expenditure that were not tax deductible, including among others, depreciation of property, plant and equipment, entertainment fees, legal and professional fees, bank charges and interest restriction.

**N/A – Not applicable**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

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**B6 Status of Corporate Proposals**

Save as disclosed in Note A12 above, there were no other corporate proposals announced but not implemented as at the date of this interim financial report.

**B7 Utilisation of Proceeds Raised from the IPO**

The gross proceeds from the IPO amounting to approximately RM24.7 million is intended to be utilised in the following manner:

<b>Details of Use of Proceeds</b>	<b>Proposed Utilisation RM'000</b>	<b>%</b>	<b>Estimated Timeframe for Utilisation Upon Listing <sup>(1)</sup></b>
(1) Business expansion	6,000	24.4	Within 24 months
(2) Working capital	7,851	31.8	Within 12 months
(3) Repayment of bank borrowings	7,000	28.4	Within 12 months
(4) Estimated listing expenses	3,800	15.4	Within 1 month
	<u>24,651</u>	<u>100.0</u>	

Note:

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities. The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company dated 21 June 2022. As at the date of this interim financial report, the IPO is pending completion and hence there was no utilisation of IPO proceeds.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

**B8 Group's Borrowings and Debt Securities**

The Group's borrowings are as follows:

	(Unaudited) As At 31.3.2022 RM'000	(Audited) As At 31.12.2021 RM'000
<b>Non-current liabilities:</b>		
Lease liabilities	507	485
Term loans	8,141	8,688
	8,648	9,173
<b>Current liabilities:</b>		
Short-term borrowings <sup>(1)</sup>	22,417	16,674
Lease liabilities	305	443
Term loans	1,123	1,033
Bank overdraft	11,286	11,758
	35,131	29,908
<b>Total borrowings</b>	43,779	39,081

The borrowings are secured and denominated in Ringgit Malaysia, except for a term loan of RM2,341,000 which is denominated in Singapore Dollar.

Note:

(1) Short-term borrowings consist of bankers' acceptances, revolving cash, and invoice financing.

**B9 Financial Instruments – Derivatives**

There were no derivative financial instruments involving the Group as at the date of this interim financial report.

**B10 Material Litigation**

There was no material litigation involving the Group as at the date of this interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

**B11 Earnings Per Share**

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

		Individual Quarter		Cumulative Quarter	
		Unaudited 31.3.2022	Unaudited 31.3.2021 <sup>(1)</sup>	Unaudited 31.3.2022	Unaudited 31.3.2021 <sup>(1)</sup>
PAT attributable to owners of the Company	(RM'000)	1,174	N/A	1,174	N/A
Weighted average number of ordinary shares in issue during the financial period	('000)	257,831	N/A	257,831	N/A
Earnings per share <sup>(2)</sup>	(sen)	<u>0.4553</u>	<u>N/A</u>	<u>0.4553</u>	<u>N/A</u>

Notes:

- (1) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first quarter ended 31 March 2022 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding quarter.
- (2) The basic and diluted earnings per share are calculated based on the PAT attributable to owners of the Company for the financial period divided by the Company's weighted average number of ordinary shares of 257,830,500 units after the acquisitions but prior to the IPO.

The Company has no dilutive instruments as at the date of the statement of financial position. Diluted earnings per share is equivalent to basic earnings per share.

***N/A – Not applicable***

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

**B12 Notes to the Statement of Comprehensive Income**

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

	Individual Quarter		Cumulative Quarter	
	Unaudited 31.3.2022 RM'000	Unaudited 31.3.2021 <sup>(1)</sup> RM'000	Unaudited 31.3.2022 RM'000	Unaudited 31.3.2021 <sup>(1)</sup> RM'000
Interest income	(8)	N/A	(8)	N/A
Interest expenses	415	N/A	415	N/A
Realised loss on foreign exchange	2	N/A	2	N/A
Depreciation of property, plant and equipment	144	N/A	144	N/A
Depreciation of right-of-use assets	117	N/A	117	N/A
Listing expenses	179	N/A	179	N/A
Rental expenses				
- Hostel	31	N/A	31	N/A

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

Note:

(1) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first quarter ended 31 March 2022 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding quarter.

***N/A – Not applicable***

**B13 Proposed Dividends**

The Board of Directors does not recommend any dividend for the current financial quarter under review.