



SAMAIDEN GROUP BERHAD

(Registration No.: 201901037874 (1347204-V))

(Incorporated in Malaysia under the Companies Act 2016)

INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2020

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UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2020⁽¹⁾

	UNAUDITED CURRENT YEAR QUARTER 30.09.20 RM'000	UNAUDITED PRECEDING YEAR QUARTER ⁽²⁾ 30.09.19 RM'000	UNAUDITED CURRENT YEAR TO DATE 30.09.20 RM'000	UNAUDITED PRECEDING YEAR TO DATE ⁽²⁾ 30.09.19 RM'000
Revenue	11,226	N/A	11,226	N/A
Cost of sales	(9,198)	N/A	(9,198)	N/A
Gross profit	2,028	N/A	2,028	N/A
Other income	140	N/A	140	N/A
Administrative expenses	(871)	N/A	(871)	N/A
Operating profit	1,297	N/A	1,297	N/A
Finance costs	(13)	N/A	(13)	N/A
Reversal of impairment losses on financial assets	28	N/A	28	N/A
Profit before taxation	1,312	N/A	1,312	N/A
Income tax expense	(293)	N/A	(293)	N/A
Profit after taxation	1,019	N/A	1,019	N/A
Other comprehensive income	-	N/A	-	N/A
Total comprehensive income for the financial period	1,019	N/A	1,019	N/A
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
Owners of the Company	1,020	N/A	1,020	N/A
Non-controlling interests	(1)	N/A	(1)	N/A
	1,019	N/A	1,019	N/A
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
Owners of the Company	1,020	N/A	1,020	N/A
Non-controlling interests	(1)	N/A	(1)	N/A
	1,019	N/A	1,019	N/A
Earnings per share attributable to owners of the Company:-				
- Basic (Sen)	0.69 ⁽³⁾	N/A	0.69 ⁽³⁾	N/A
- Diluted (Sen)	0.69 ⁽³⁾	N/A	0.69 ⁽³⁾	N/A

Notes:-

- (1) The basis of preparation of the Unaudited Consolidated Statements of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report for the financial year ended 30 June 2020 as disclosed in the Prospectus of the Company dated 28 September 2020 and the accompanying explanatory notes attached to this interim financial report.
 - (2) No comparative figures for the preceding year's quarter and year-to-date are available as this is the first interim financial report on the consolidated results for the first quarter ended 30 September 2020 announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**").
 - (3) The basic earnings per share is computed based on profit after taxation attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue as at 30 September 2020. The diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities outstanding.
- N/A Not applicable

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020⁽¹⁾

	Unaudited 30.09.20 RM'000	Audited 30.06.20⁽²⁾ RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	1,636	N/A
Total non-current assets	1,636	N/A
Current Assets		
Inventories	23	N/A
Trade receivables	6,357	N/A
Other receivables, deposits and prepayments	805	N/A
Contract assets	3,101	N/A
Short-term investments	10,616	N/A
Fixed deposit with a licensed bank	421	N/A
Cash and bank balances	5,776	N/A
Total current assets	27,099	N/A
TOTAL ASSETS	28,735	N/A
EQUITY AND LIABILITIES		
Equity		
Share capital	7,442	N/A
Merger reserve	(6,412)	N/A
Retained profits	14,680	N/A
Equity attributable to owners of the Company	15,710	N/A
Non-controlling interests	(8)	N/A
TOTAL EQUITY	15,702	N/A
Non-Current Liabilities		
Term loans	995	N/A
Lease liability	46	N/A
Total Non-Current Liabilities	1,041	N/A
Current Liabilities		
Trade payables	10,018	N/A
Other payables and accruals	453	N/A
Contract liabilities	1,184	N/A
Term loans	37	N/A
Lease liability	18	N/A
Current tax liabilities	282	N/A
Total Current Liabilities	11,992	N/A
TOTAL LIABILITIES	13,033	N/A
TOTAL EQUITY AND LIABILITIES	28,735	N/A

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020⁽¹⁾ (CONT'D)

	Unaudited 30.09.20	Audited 30.06.20⁽²⁾
Number of issued shares ('000)	148,845	N/A
Net assets per ordinary share attributable to owners of the Company (Sen)	<u>10.55</u>	<u>N/A</u>

Notes:-

- (1) The basis of preparation of the Unaudited Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report for the financial year ended 30 June 2020 as disclosed in the Prospectus of the Company dated 28 September 2020 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding year's quarter and year-to-date are available as this is the first interim financial report on the consolidated results for the first quarter ended 30 September 2020 announced by the Company in compliance with the Listing Requirements.

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2020⁽¹⁾

	<----- Non-Distributable ----->		Distributable	Attributable to	Non-	Total Equity
	Share Capital RM'000	Merger Reserve RM'000	Retained Profits RM'000	Owners of the Company RM'000	controlling interests RM'000	RM'000
Balance as at 30.6.20⁽²⁾	#	-	(28)	(28)	-	(28)
Profit for the financial period	-	-	1,020	1,020	(1)	1,019
Other comprehensive income for the financial period	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	1,020	1,020	(1)	1,019
Transactions with owners:-						
- Acquisition of subsidiaries	7,442	(6,412)	13,688	14,718	(7)	14,711
Balance as at 30.09.20	7,442	(6,412)	14,680	15,710	(8)	15,702

(#) – Denote RM 100

Notes:-

- (1) The basis of preparation of the Unaudited Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report for the financial year ended 30 June 2020 as disclosed in the Prospectus of the Company dated 28 September 2020 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding year's quarter and year-to-date are available as this is the first interim financial report on the consolidated results for the first quarter ended 30 September 2020 announced by the Company in compliance with the Listing Requirements.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2020⁽¹⁾

	CURRENT YEAR TO DATE 30.09.20 RM'000	PRECEDING YEAR TO DATE 30.09.19⁽²⁾ RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Profit before taxation	1,312	N/A
Adjustments for:-		
Depreciation of property, plant and equipment	36	N/A
Allowance for impairment losses on trade receivables	(28)	N/A
Other interest expense	13	N/A
Interest income	(105)	N/A
Fair value gain on short-term investments	(36)	N/A
Operating income before working capital changes	<u>1,192</u>	<u>N/A</u>
Decrease in inventories	5	N/A
Decrease/ (Increase) in trade and other receivables	1,050	N/A
Decrease/ (Increase) in contract assets	(2,428)	N/A
(Decrease)/ Increase in trade and other payables	(1,474)	N/A
(Decrease)/ Increase in contract liabilities	<u>(3,128)</u>	<u>N/A</u>
CASH (FOR)/FROM OPERATIONS	<u>(4,783)</u>	<u>N/A</u>
Income tax paid	(13)	N/A
NET CASH (FOR)/ FROM OPERATING ACTIVITIES	<u>(4,796)</u>	<u>N/A</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	105	N/A
Fair value gain on short-term investments	36	N/A
Purchase of property, plant and equipment	<u>(133)</u>	<u>N/A</u>
NET CASH FROM INVESTING ACTIVITIES	<u>8</u>	<u>N/A</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(13)	N/A
NET CASH (FOR)/ FROM FINANCING ACTIVITIES	<u>(13)</u>	<u>N/A</u>

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2020⁽¹⁾ (CONT'D)

	CURRENT YEAR TO DATE 30.09.20 RM'000	PRECEDING YEAR TO DATE 30.09.19⁽²⁾ RM'000
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,801)	N/A
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	21,193	N/A
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>16,392</u>	<u>N/A</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISES:-		
Fixed deposit with a licensed bank	421	N/A
Cash and bank balances	5,776	N/A
Money market funds, at fair value	10,616	N/A
	<u>16,813</u>	<u>N/A</u>
Less : Fixed deposit pledged to a licensed bank	(421)	N/A
	<u>16,392</u>	<u>N/A</u>

Notes:-

- (1) The basis of preparation of the Unaudited Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report for the financial year ended 30 June 2020 as disclosed in the Prospectus of the Company dated 28 September 2020 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding year's quarter and year-to-date are available as this is the first interim financial report on the consolidated results for the first quarter ended 30 September 2020 announced by the Company in compliance with the Listing Requirements.

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2020

A1. Basis of Preparation

The interim financial report of Samaiden Group Berhad and its subsidiaries (the “**Group**”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“**MFRS**”) 134, Interim Financial Reporting, International Financial Reporting Standards (“**IFRS**”) 34, Interim Financial Reporting and Rule 9.22 of Listing Requirements.

This is the first interim financial report on the Company’s unaudited condensed consolidated financial results for the first quarter ended 30 September 2020 announced by the Company in compliance with the Listing Requirements 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 for the financial year ended 30 June 2020 as disclosed in the Prospectus of the Company dated 28 September 2020 and the accompanying explanatory notes attached to this interim financial report.

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those as disclosed in the Accountants’ Report in the Prospectus of the Company dated 28 September 2020. The Group has adopted those standards, amendments and interpretations that have become effective and such adoptions do not have material impact on the financial position and performance of the Group.

MFRSs and/or IC Interpretations (including the Consequential Amendments)

- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
- Amendments to MFRS 101 and MFRS 108: Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) do not have any material impact on the financial performance and position of the Group upon their initial application.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial period ended 30 September 2020:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective for annual periods on or after
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3 : Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 4 : Extension of the Temporary Exemption from Applying MFRS 9	At Issue date of 17 August 2020

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2020 (CONT'D)

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
Amendments to MFRS 101: Classification of liabilities as current or non-current	1 January 2023
Amendments to MFRS 116 : Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 : Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) is not expected to have a material impact on the financial statements of the Group upon their initial application.

A3. Auditors' Report on Preceding Annual Financial Statements

There was no qualification on the audited financial statements of the Group for the financial year ended 30 June 2020.

A4. Seasonal or Cyclical Factors

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

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items for the current financial quarter under review.

A6. Changes in Estimates

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

A7. Debt and Equity Securities

There were no significant issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial quarter under review except for the following:-

	Amount RM	Number of shares
Issued and fully paid shares		
At 30 June 2020	100	2,000
Issue of ordinary shares of the Company	7,442,150	148,843,000
At 30 September 2020	<u>7,442,250</u>	<u>148,845,000</u>

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2020 (CONT'D)
Pre-listing internal restructuring exercise

The Company had on 29 November 2019, entered into conditional share sale and purchase agreements with (i) Fong Yeng Foon and Ir. Chow Pui Hee (as vendors) to acquire the equity interest in Samaiden Sdn Bhd ("**Samaiden**") and Samaiden Consultancy Sdn Bhd ("**Samaiden Consultancy**"); and (ii) Ir. Chow Pui Hee (as vendor) to acquire the equity interest in SC Green Solutions Sdn Bhd ("**SC Green**") (collectively referred to as "**Acquisitions**").

	Equity Interest (%)	Purchase consideration RM	No. of shares issued by the Company
Samaiden	100	7,415,268	148,305,360
Samaiden Consultancy	100	2	40
SC Green	60	26,880	537,600
		7,442,150	148,843,000

The purchase consideration of Samaiden and Samaiden Consultancy were arrived on a willing-buyer willing-seller basis, after taking into consideration the audited net assets and audited net liabilities of Samaiden and Samaiden Consultancy respectively, as at 30 June 2019. The acquisitions were completed on 19 August 2020 and Samaiden and Samaiden Consultancy became wholly-owned subsidiaries of the Company.

The purchase consideration of SC Green was arrived on a willing-buyer willing-seller basis, after taking into consideration the adjusted net assets of SC Green, computed based on the audited net liability of SC Green as at 30 June 2019 and subsequent increase in the share capital of SC Green on 15 July 2019. The acquisition was completed on 19 August 2020 and SC Green became a 60%-owned subsidiary of the Company.

The said purchase consideration was entirely satisfied by the issuance of 148,843,000 new ordinary shares in the Company with a total purchase consideration of RM7,442,150 at an issue price of RM0.05 per share. The share issuance and Acquisitions were completed on 19 August 2020.

Upon completion of the Acquisitions, the issued share capital of the Company increased to RM7,442,250 comprising 148,845,000 ordinary shares in the Company.

A8. Dividends Paid

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

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2020 (CONT'D)
A9. Segmental Reporting

The Group's operating segments information are as follows:-

Current year quarter ended 30 September 2020	EPCC Services⁽¹⁾ RM'000	RE⁽²⁾ and Environmental Consulting Services RM'000	O&M⁽³⁾ Services RM'000	Adjustment and elimination RM'000	Total RM'000
Revenue					
External revenue	11,020	56	150	-	11,226
Inter-segment revenue	-	-	-	-	-
	<u>11,020</u>	<u>56</u>	<u>150</u>	<u>-</u>	<u>11,226</u>
Results					
Segmental profit	1,930	30	68	-	2,028
Other income					35
Unallocated expense					(843)
Interest income					105
Finance costs					(13)
Consolidated profit before taxation					1,312
Income tax expense					(293)
Consolidated profit after taxation					<u>1,019</u>
Current year-to-date ended 30 September 2020					
Revenue					
External revenue	11,020	56	150	-	11,226
Inter-segment revenue	-	-	-	-	-
	<u>11,020</u>	<u>56</u>	<u>150</u>	<u>-</u>	<u>11,226</u>
Results					
Segmental profit	1,930	30	68	-	2,028
Other income					35
Unallocated expense					(843)
Interest income					105
Finance costs					(13)
Consolidated profit before taxation					1,312
Income tax expense					(293)
Consolidated profit after taxation					<u>1,019</u>

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2020 (CONT'D)

There are no comparative figures for the preceding year's quarter and year-to-date available as this is the first interim financial report for the first quarter ended 30 September 2020 announced in compliance with the Listing Requirements.

Notes:-

- (1) EPCC: Engineering, procurement, construction and commissioning
- (2) RE: Renewable Energy
- (3) O&M: Operations and maintenance

A10. Significant Events Subsequent to the End of the Interim Financial Period

There were no significant events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report except for the following:-

Listing on the ACE Market of Bursa Securities

In conjunction with the Company's listing on the ACE Market of Bursa Securities on 15 October 2020, the Company issued its Prospectus dated 28 September 2020 for its initial public offering ("IPO") comprising public issue of 61,155,000 new ordinary shares in the Company at an issue price of RM0.48 per share ("IPO Price") in the following manner:-

- (i) 10,500,000 new ordinary shares in the Company made available for application by the Malaysian public through a balloting process;
- (ii) 6,300,000 new ordinary shares in the Company made available for application by the eligible directors, employees and persons who have contributed to the success of the Company;
- (iii) 23,355,000 new ordinary shares in the Company made available by way of private placement to selected investors; and
- (iv) 21,000,000 new ordinary shares in the Company made available by way of private placement to Bumiputera investors approved by the Ministry of International Trade and Industry.

The Company completed its IPO exercise on 15 October 2020.

A11. Changes in the Composition of the Group

Save for the pre-IPO reorganisation as disclosed under Note A7 above to facilitate the Company's listing as disclosed in the Prospectus of the Company dated 28 September 2020, there were no changes in the composition of the Group for the current financial quarter under review.

A12. Fair Value of Financial Liabilities

There were no gains or losses arising from fair value changes of the Group's financial liabilities for the current financial quarter under review.

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2020 (CONT'D)

A13. Capital Commitments

The Group does not have any material capital commitments during the current financial period under review.

A14. Contingent Assets and Contingent Liabilities

The Group has no contingent assets as at the date of this report. Save for the tender bond amounting to RM1.40 million, as at 30 September 2020 there are no material contingent liabilities incurred by our Group, which may have a substantial impact on the financial position of our Group.

A15. Related Party Transactions

Listed below are the significant transactions with related parties of the Group during the current financial period under review:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER ⁽¹⁾	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE ⁽¹⁾
	30.09.20 RM'000	30.09.19 RM'000	30.09.20 RM'000	30.09.19 RM'000
Director of the Group				
- Lease expense paid	14	N/A	14	N/A

This transaction has been entered into in the normal course of business.

Note:-

(1) There are no comparative figures for the preceding year's quarter and year-to-date available as this is the first interim financial report for the first quarter ended 30 September 2020 announced in compliance with the Listing Requirements.

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B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B1. Review of Group Performance**

The Group recorded revenue of RM11.2 million, of which RM11.0 million were from EPCC services. The Group's profit before taxation for the financial period under review was RM1.3 million. Administrative expenses during the financial period were mainly due to staff cost amounting to RM0.4 million and IPO expenses of RM0.2 million incurred during the period.

Following the outbreak of Coronavirus Disease 2019 ("**COVID-19**") in early 2020, the Government has implemented few phases of the movement control order ("**MCO**") in Malaysia. During the financial period under review, the Government had imposed a recovery MCO ("**RMCO**") which was initially imposed from 10 June 2020 until 31 August 2020, and subsequently extended to 31 December 2020. As disclosed in the Company's prospectus dated 28 September 2020, we have resumed our on-site operations for all on-going projects.

During the financial period under review, our Group continued to operate on full scale whilst practicing internal standard operating procedures to safeguard the employees and subcontractors' health and to curb the spread of COVID-19.

There are no comparative figures for the preceding year's quarter and year-to-date available as this is the first interim financial report on the consolidated results for the first quarter ended 30 September 2020 announced by the Company in compliance with the Listing Requirements.

B2. Comparison with Immediate Preceding Quarter Results

There are no comparative figures for the preceding quarter available as this is the first interim financial report for the first quarter ended 30 September 2020 announced by the Company in compliance with the Listing Requirements.

B3. Prospects

The government of Malaysia ("**Government**") is working towards increasing the use of renewable energy ("**RE**") resources, including mini-hydro, biomass, biogas and solar as an initiative to reduce carbon dioxide (CO₂) emission. In relation thereto, the Ministry of Energy and Natural Resources had on 28 May 2020, announced a solar quota release of 1,000 MWac competitive bidding for LSS programme under the "Malaysian Electricity Industry to Attract RE Investment" (which is dubbed as LSS@MEntARI) which is the fourth LSS PV bidding cycle and is for Peninsular Malaysia. This LSS@MEntARI is the largest quota offered for bidding compared to the previous LSS1, LSS2 and LSS3 programmes which ranged between 250 MW and 500 MW.

This will provide us with opportunities to provide EPCC of solar PV systems and power plants. We will continue to leverage on our core competency and experience in providing end-to-end services for potential solar PV projects.

In addition, we also provide RE and environmental consulting services to customers who are in the preparation phase of their bidding of solar PV projects under LSS programmes.

As disclosed in the Company's prospectus dated 28 September 2020, the Group will continue to strengthen its core competency in EPCC by expanding locally (i.e. through the establishment of sales and technical support services, and purchase of new equipment and tools) and internationally (i.e. starting with Vietnam in the near term pursuant to its first purchase order in Vietnam). Further, part of the Group's business strategies is to build-own-operate and invest in RE power plants.

B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

Our Group does not foresee any material adverse effect on the financial position or business of our Group arising from the COVID-19 outbreak and MCO.

However, the Group will continue to monitor the situation to assess and address the impact of COVID-19 and the RMCO on its business and financial position.

The Board is cautiously optimistic that the Group's performance will remain satisfactory for the current financial year.

B4. Profit Forecast

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

B5. Income Tax Expense

The breakdown of income tax expense ⁽¹⁾ are as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER ⁽³⁾	CURRENT YEAR-TO-DATE	PRECEDING YEAR-TO-DATE ⁽³⁾
	30.09.20 RM'000	30.09.19 RM'000	30.09.20 RM'000	30.09.19 RM'000
Income tax expense	293	N/A	293	N/A
Deferred tax liabilities	-	N/A	-	N/A
	<u>293</u>	<u>N/A</u>	<u>293</u>	<u>N/A</u>
Effective tax rate (%) ⁽²⁾	<u>22.3</u>	<u>N/A</u>	<u>22.3</u>	<u>N/A</u>

Notes:-

(1) Income tax expense is recognised based on management's best estimate.

(2) The Group's effective tax rate for the quarter ended 30 September 2020 of 22.33 % is lower than the statutory tax rate of 24.00% mainly due to tax exemption on gain from short-term investments in money market.

(3) There are no comparative figures for the preceding year's quarter and year-to-date available as this is the first interim financial report for the first quarter ended 30 September 2020 announced in compliance with the Listing Requirements.

B6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B7. Use of Proceeds Raised from IPO

The Company completed its IPO exercise on 15 October 2020, which raised gross proceeds of RM29.35 million. The proceeds raised from the IPO are proposed to be utilised as follows:-

No.	Purpose	Proposed utilisation		Actual utilisation	Balance to be utilised	Intended timeframe for utilisation (from the listing date 15 October 2020)
		RM'000	%	RM'000	RM'000	
1.	Purchase of corporate office	7,000	23.85	-	7,000	Within 24 months
2.	Business expansion and marketing activities	2,540	8.65	-	2,540	Within 24 months
3.	Capital expenditure	1,168	3.98	-	1,168	Within 24 months
4.	Working capital	15,446	52.62	-	15,446	Within 30 months
5.	Estimated listing expenses	3,200	10.90	-	3,200	Within 3 months
Total		29,354	100.00	-	29,354	

The use of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 28 September 2020.

B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B8. Group Borrowings and Debt Securities

The Group's borrowings as at 30 September 2020 are as follows:-

	< ----- As at 30.09.20 ----- >		
	Payable within 12 months RM'000	Payable after 12 months RM'000	Total RM'000
Denominated in: RM			
Lease Liability	18	46	64
Term Loans	37	995	1,032
	<u>55</u>	<u>1,041</u>	<u>1,096</u>
Total	55	1,041	1,096

All the borrowings are secured.

B9. Material Litigation

As at the date of this report, the Group is not engaged in any material litigation.

B10. Dividend

No dividend has been declared or recommended for payment by the Company during the current financial quarter under review.

B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)
B11. Earnings per Share

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.09.20	PRECEDING YEAR CORRESPONDING QUARTER ⁽¹⁾ 30.09.19	CURRENT YEAR-TO-DATE 30.09.20	PRECEDING YEAR-TO-DATE ⁽¹⁾ 30.09.19
Profit after taxation attributable to owners of the Company (RM'000)	<u>1,020</u>	<u>N/A</u>	<u>1,020</u>	<u>N/A</u>
Weighted average number of shares in issue ('000)	<u>148,845</u>	<u>N/A</u>	<u>148,845</u>	<u>N/A</u>
Basic and diluted earnings per share ⁽²⁾ (sen)	<u>0.69</u>	<u>N/A</u>	<u>0.69</u>	<u>N/A</u>

Notes:-

- (1) No comparative figures for the preceding year's quarter and year-to-date are available as this is the first interim financial report on the consolidated results for the first quarter ended 30 September 2020 announced by the Company in compliance with the Listing Requirements.
- (2) The basic earnings per share is computed based on profit after taxation attributable to the owners of the Company and divided by the weighted average number of ordinary shares. The diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities outstanding.

B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)
B12. Notes to the Statements of Profit or Loss and Other Comprehensive Income

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER ⁽¹⁾	CURRENT YEAR-TO-DATE	PRECEDING YEAR-TO-DATE ⁽¹⁾
	30.09.20 RM'000	30.09.19 RM'000	30.09.20 RM'000	30.09.19 RM'000
Depreciation of plant and equipment	36	N/A	36	N/A
Interest expense :	13	N/A	13	N/A
- term loan				
Lease expenses on:	25	N/A	25	N/A
- short-term lease				
Listing expenses	227	N/A	227	N/A
Staff costs:				
- short-term employee benefits	336	N/A	336	N/A
- defined contribution benefits	52	N/A	52	N/A
Fair value gain on short-term investments	36	N/A	36	N/A
Interest income	105	N/A	105	N/A
Gain on foreign exchange	2	N/A	2	N/A

Note:-

- (1) No comparative figures for the preceding year's quarter and year-to-date are available as this is the first interim financial report on the consolidated results for the first quarter ended 30 September 2020 announced by the Company in compliance with the Listing Requirements.
- (2) Save for as disclosed above, the other disclosure items pursuant to item 16 of Appendix 9B of the Listing Requirements are not applicable.

B13. Derivatives

The Group did not enter into any derivatives during the current quarter under review.

B14. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors on 26 November 2020.