



HARTANAH KENYALANG BERHAD

Registration No. 202401034991 (1580838-V)

(Incorporated in Malaysia under the Companies Act 2016)

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 APRIL 2025**

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 APRIL 2025 ⁽¹⁾⁽²⁾

	Note	Individual Quarter		Cumulative Quarter	
		30 April		30 April	
		2025	2024 ⁽²⁾	2025	2024 ⁽²⁾
		RM'000	RM'000	RM'000	RM'000
Revenue	B1	30,089	N/A	74,862	N/A
Cost of sales		(25,343)	N/A	(64,286)	N/A
Gross profit		4,746	N/A	10,576	N/A
Other income		40	N/A	81	N/A
Administrative expenses		(2,402)	N/A	(5,405)	N/A
Finance costs		(398)	N/A	(661)	N/A
Profit before tax	B11	1,986	N/A	4,591	N/A
Tax expense	B5	(644)	N/A	(1,364)	N/A
Profit/Total comprehensive income for the financial period		1,342	N/A	3,227	N/A
Profit/Total comprehensive income for the financial period attributable to:					
Owners of the Company		1,342	N/A	3,227	N/A
Earnings per share ("EPS"):					
Basic/Diluted ⁽³⁾ (sen)	B10	0.27	N/A	0.65	N/A

Notes:

- (1) The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the prospectus dated 30 April 2025 issued by Hartanah Kenyalang Berhad ("Hartanah" or "Company") ("Prospectus") and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the preceding corresponding quarter and period as this is the first interim financial report for the second quarter ended 30 April 2025 announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").
- (3) Basic EPS is calculated based on the Company's share capital of 499,100,000 ordinary shares upon completion of the acquisition of Hartanah Construction Sdn Bhd ("Hartanah Construction") by the Company ("Acquisition"), but before the Company's initial public offering ("IPO"). The diluted EPS is equivalent to the basic EPS as the Company does not have any convertible options as at the end of the current quarter and financial year-to-date under review.

N/A Not applicable

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2025 ⁽¹⁾

Note	Unaudited	Audited
	30 April 2025	31 October 2024
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,215	7,803
Investment properties	1,045	1,058
Right-of-use assets	20	142
Total non-current assets	8,280	9,003
Current assets		
Trade receivables	12,789	31,490
Other receivables, deposits and prepayments	4,035	4,564
Contract assets	50,664	35,291
Fixed deposits with licensed banks	7,295	2,390
Cash and bank balances	14,821	7,292
Total current assets	89,604	81,027
TOTAL ASSETS	97,884	90,030
EQUITY AND LIABILITIES		
Equity		
Share capital	24,956	3,001
Merger reserve	(21,955)	-
Retained profits	25,229	22,002
Total equity	28,230	25,003
LIABILITIES		
Non-current liabilities		
Lease liabilities	7	56
Long-term borrowings	B8 2,551	3,605
Total non-current liabilities	2,558	3,661

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2025
 (CONT'D) ⁽¹⁾**

Note	Unaudited		Audited	
	30 April 2025	RM'000	31 October 2024	RM'000
Current liabilities				
Trade payables		37,222		39,388
Other payables and accruals		5,948		6,238
Amount owing to related parties		183		42
Lease liabilities		13		88
Short-term borrowings	B8	23,126		14,751
Current tax liabilities		604		859
Total current liabilities		<u>67,096</u>		<u>61,366</u>
Total liabilities		<u>69,654</u>		<u>65,027</u>
TOTAL EQUITY AND LIABILITIES		<u>97,884</u>		<u>90,030</u>
Net assets per ordinary share⁽²⁾ (RM)		<u>0.0566</u>		<u>0.0501</u>

Notes:

- (1) The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share attributable to the owners of the Company is computed based on equity attributable to owners of the Company divided by the Company's ordinary shares of 499,100,000 upon completion of the Acquisition but before the IPO.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 APRIL 2025 ⁽¹⁾⁽²⁾

	Non-distributable		Distributable		Total equity RM'000
	Share capital RM'000	Merger deficit RM'000	Retained earnings RM'000		
Balance as at 1 November 2024	3,001	-	22,002	25,003	
Total comprehensive income for the financial period	21,955	(21,955)	3,227	3,227	
Balance as at 30 April 2025	<u>24,956</u>	<u>(21,955)</u>	<u>25,229</u>	<u>28,230</u>	

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the preceding corresponding period as this is the first interim financial report for the second quarter ended 30 April 2025 announced in compliance with the Listing Requirements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER
 ENDED 30 APRIL 2025 ⁽¹⁾⁽²⁾**

	6-month ended 30 April 2025	6-month-ended 30 April 2024⁽²⁾
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,591	N/A
Adjustments for:-		
Depreciation and amortisation:		
• investment properties	12	N/A
• property, plant and equipment	686	N/A
• right-of-use assets	35	N/A
Interest income	(41)	N/A
Interest expense	661	N/A
Reversal of impairment loss on trade receivables	(15)	N/A
Reversal of impairment loss on other receivables	(10)	N/A
Operating profit before changes in working capital	5,919	N/A
Decrease in trade and other receivables	19,255	N/A
Increase in contract cost assets	(15,373)	N/A
Increase in amount owing from related parties	(2,229)	N/A
Increase in amount owing to related parties	2,370	N/A
Increase in trade and other payables	1,544	N/A
CASH FROM OPERATIONS	11,486	N/A
Interest paid	(661)	N/A
Income tax paid	(1,627)	N/A
Income tax refund	10	N/A
NET CASH FROM OPERATING ACTIVITIES	9,208	N/A
CASH FLOW FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(96)	N/A
Increase in Escrow account-i	(494)	N/A
Interest income received	41	N/A
Addition of pledged fixed deposits	(4,906)	N/A
NET CASH FOR INVESTING ACTIVITIES	(5,455)	N/A
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividend paid	(4,000)	N/A
Drawdown of trade financing	43,369	N/A
Repayment of hire purchase payables	(943)	N/A
Repayment of lease liabilities	(38)	N/A
Repayment of term loans	(332)	N/A
Repayment of trade financing	(38,416)	N/A
NET CASH FOR FINANCING ACTIVITIES	(360)	N/A

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER
 ENDED 30 APRIL 2025 (CONT'D) ⁽¹⁾⁽²⁾**

	6-month ended 30 April 2025	6-month ended 30 April 2024⁽²⁾
	RM'000	RM'000
NET CHANGES IN CASH AND CASH EQUIVALENTS	3,393	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<u>5,729</u>	<u>N/A</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>9,122</u>	<u>N/A</u>
 CASH AND CASH EQUIVALENTS		
Cash and bank balances	14,821	N/A
Fixed deposit with licensed banks	7,295	N/A
Bank overdrafts	<u>(3,832)</u>	<u>N/A</u>
	<u>18,284</u>	<u>N/A</u>
Less: Pledged deposits	<u>(9,162)</u>	<u>N/A</u>
	<u>9,122</u>	<u>N/A</u>

Notes:

- (1) The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) There are not comparative figures for the preceding corresponding period as this is the first interim financial report for the second quarter ended 30 April 2025 announced in compliance with the Listing Requirements.

N/A Not applicable

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

A1 Basis of Preparation

The interim financial report of Hartanah and its subsidiary (collectively, the “Group”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board and Rule 9.22 and Appendix 9B of the Listing Requirements.

This is the first interim financial report on the Company’s unaudited condensed consolidated financial results for the second quarter ended 30 April 2025 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial report should be read in conjunction with the Prospectus and the accompanying explanatory notes attached to this interim financial report.

A2 Significant Accounting Policies

The significant accounting policies and methods of computation applied in this interim financial report are consistent with those adopted in preparation of the audited financial statements of the Company for the financial year ended 31 October 2024.

A3 Auditors’ Report and Preceding Annual Financial Statements

Hartanah was incorporated on 21 August 2024 under the Companies Act 2016. The Company completed the Acquisition on 6 March 2025.

The auditor’s report for the financial year ended 31 October 2024 was not subjected to any qualification. The preceding audited financial statements are prepared based on combination or aggregation of all the audited financial statements of the subsidiary of the Company.

A4 Seasonal or Cyclical Factors

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

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134,
INTERIM FINANCIAL REPORTING (CONT'D)**

A5 Material Unusual Items

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

A6 Material Change in Estimates

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

A7 Debt and Equity Securities

Save as disclosed in Note B6, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter and financial period under review.

A8 Dividend

Prior to the Acquisition, on 13 September 2024, the board of directors of Hartanah Construction declared an interim dividend of RM5,000,000 in respect of the financial year ended 31 October 2024. Out of the RM5,000,000, RM1,000,000 was paid during the financial year ended 31 October 2024 whilst the remaining RM4,000,000 was paid during the financial period ended 31 January 2025.

Save as disclosed above, there were no other dividends paid during the current quarter and financial period under review.

A9 Segmental Information

The Group is principally involved in the following:

- (i) **building construction services**, with a focus on institutional buildings such as schools and other public buildings, and other non-residential buildings; and
- (ii) **infrastructure construction services**, with a focus on bridges and roads.

Please refer to Note B1 for further information on the revenue segmentation of the Group.

Information about geographical areas has not been reported as the Group's principal market is only in East Malaysia.

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134,
INTERIM FINANCIAL REPORTING (CONT'D)**

A10 Material Events Subsequent to the End of the Quarter

Save as disclosed in Note A11, there were no material events subsequent to the end of the current quarter and financial period under review.

A11 Material Events Subsequent to the End of the Reporting Period

In conjunction with the Company's listing on the ACE Market of Bursa Securities ("Listing"), the Company undertook an IPO at an issue price of RM0.16 per share, comprising:

IPO of 198,400,000 ordinary shares in the Company ("Shares") comprising a public issue of 120,900,000 new Shares and an offer for sale of 77,500,000 existing Shares in the following manner:

- 31,000,000 new Shares made available for application by the Malaysian public by way of balloting;
- 18,600,000 new Shares made available for application by the eligible directors and employees of the Group, and persons who have contributed to the success of the Group; and
- 148,800,000 Shares, comprising 71,300,000 new Shares and 77,500,000 existing Shares, made available for application by way of private placement to selected investors and identified Bumiputera investors approved by the Ministry of Investment, Trade and Industry, respectively.

Upon completion of the IPO, the issued share capital of the Company had increased to 620,000,000 Shares. The Company was admitted to the Official List of Bursa Securities on 9 June 2025, and the Company's entire enlarged issued share capital was listed and quoted on the ACE Market of Bursa Securities.

Save as disclosed above, there were no other material events subsequent during the current quarter and financial period under review.

A11 Changes in Composition of the Group

On 6 March 2024, the Company completed the Acquisition for a purchase consideration of RM24,954,950 which was fully satisfied via the issuance of 499,099,000 new Shares at an issue price of RM0.05 each.

Save as disclosed above, there were no changes in the composition of the Group during the current quarter and financial period under review.

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134,
INTERIM FINANCIAL REPORTING (CONT'D)**

A12 Contingent Liabilities and Contingent Assets

There were no material contingent liabilities and contingent assets as at the date of this interim financial report.

A13 Material Capital Commitment

The capital commitments of the Group as at the financial period ended 30 April 2025 are as follows:

	30 April 2025
	RM'000
Approved but not contracted for:	
Purchase of six new excavators	2,700
IT related hardware and software	300
	<hr/>
	3,000

The capital commitments above will be fully financed by IPO proceeds.

Save as disclosed above, the Group does not have any other material capital commitment as at the date of this interim financial report.

A14 Significant Related Party Transactions

The Group does not have any significant related party transaction as at the date of this interim financial report.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of Performance

	Individual Quarter				Cumulative Quarter			
	30 April		2024 ⁽¹⁾		30 April		2024 ⁽¹⁾	
	2025	RM'000	2024 ⁽¹⁾	RM'000	2025	RM'000	2024 ⁽¹⁾	RM'000
Building construction services	21,646	72	N/A	N/A	53,744	72	N/A	N/A
Infrastructure construction services	8,443	28	N/A	N/A	21,118	28	N/A	N/A
Total revenue	30,089	100	N/A	N/A	74,862	100	N/A	N/A

Notes:

- (1) There are no comparative figures for the preceding corresponding quarter and period as this is the first interim financial report for the second quarter ended 30 April 2025 announced in compliance with the Listing Requirements.

N/A Not applicable

The Group recorded total revenue of RM30.1 million for current quarter under review and achieved profit before tax of RM2.0 million during the same period.

The Group's revenue for current quarter under review is mainly attributed to its building construction services segment which contributed RM21.6 million (or 72%) of the Group's total revenue. The revenue attributed to building construction services segment mainly consists of revenue recognised from the State Archive Project, Yayasan International School Sibu Project, Yayasan International School Kuching Project, Sekolah Daif Tambay Project and Sekolah Daif Tebedu Project.

The Group recognised profit before tax of RM2.0 million for the current quarter under review after deducting expenses which were mainly attributed to administrative and operating expenses of RM2.4 million, which mainly consists of staff costs, directors' remuneration and bank commission for performance guarantee.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B2 Comparison with Immediate Preceding Quarter

Unaudited			
Current Quarter	Immediate Preceding Quarter		Changes
	30 April 2025	31 January 2025	
	RM'000	RM'000	RM'000
Revenue	30,089	44,773	(14,684) (32.8)
Profit before tax	1,986	2,605	(619) (23.8)

The Group achieved a revenue of RM30.1 million for the current quarter ended 30 April 2025, which was RM14.7 million or 32.8% lower than the Group's revenue of RM44.8 million for the immediate preceding quarter as there were lower revenue recorded from the Sekolah Daif: Tambay Project which was completed on 4 April 2025 and as well as the Yayasan International School Sibu Project and Sekolah Daif: Tebedu Project which are near to completion.

The Group's profit before tax decreased by RM0.6 million or 23.8% to RM2.0 million for the current quarter ended 30 April 2025 as compared to RM2.6 million for the immediate preceding quarter. The lower profit before tax was mainly due to the lower gross profit of RM4.8 million for the current quarter (immediate preceding quarter: RM5.8 million) which was partially offset by lower administrative expenses of RM2.4 million for the current quarter (immediate preceding quarter: RM3.0 million).

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B3 Prospects of the Group

As disclosed in Sections 7.3.1 and 7.3.3 of the Prospectus issued in conjunction with the IPO, the Group has the following future plans:

- To further grow its building and infrastructure construction activities in Sarawak; and
- To secure design and build projects from prospective clients.

The Group believes that its prospects are favourable in view of the outlook of the construction industry in Sarawak as set out in Section 8 of the Prospectus, its competitive strengths as set out in Section 7.2 of the Prospectus and its business strategies and future plans as set out in Section 7.3 of the Prospectus.

Barring any unforeseen circumstances, the board of directors of Hartanah is optimistic about the future prospects of the Group.

B4 Profit Forecast

The Group did not issue any profit forecast or profit guarantee in any announcement or public document during current quarter and financial period under review.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B5 Tax Expense

	Individual Quarter		Cumulative Quarter	
	30 April		30 April	
	2025	2024 ⁽¹⁾	2025	2024 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Tax expense:				
- current tax	644	N/A	1,364	N/A
- deferred tax	-	N/A	-	N/A
Total tax expense	644	N/A	1,364	N/A
Effective tax rate (%)	32	N/A	30	N/A
Statutory tax rate (%)	24	N/A	24	N/A

Notes:

- (1) There are no comparative figures for the preceding corresponding quarter and period as this is the first interim financial report for the second quarter ended 30 April 2025 announced in compliance with the Listing Requirements.

N/A Not applicable

The effective tax rate of the Group for the financial period ended 30 April 2025 were higher than the statutory tax rate as certain expenses were not tax deductible, which includes professional fees for the IPO exercise and interest expense for term loan.

B6 Status of Corporate Proposals

On 30 April 2025, the Company issued its Prospectus in conjunction with its IPO and listing on the ACE Market of Bursa Securities, comprising the public issue of 120,900,000 new Shares and offer for sale of 77,500,000 existing Shares. The Listing took place on 9 June 2025.

Save as disclosed above, there are no other corporate proposals announced by the Company but not completed as at the date of this interim financial report.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B7 Utilisation of Proceeds from Public Issue

The gross proceeds of approximately RM19.34 million raised from the IPO is intended to be utilised in the following manner:

Use of proceeds	Estimated timeframe for use from the date of Listing	Proposed utilisation	
		RM'000	%
Purchase of machineries and IT related hardware and software	Within 24 months	3,000	15.5
Project working capital	Within 18 months	10,494	54.2
Repayment of borrowings	Within six months	2,100	10.9
Defray fees and expenses relating to the Listing	Within two months	3,750	19.4
Total		19,344	100.0

The use of proceeds as disclosed above should be read in conjunction with the Prospectus.

B8 Borrowings

The details of the Group's borrowings are as follows:-

	30 April 2025 RM'000	31 October 2024 RM'000
Non-current		
Hire purchase payables	1,413	2,323
Term loans	1,138	1,282
	2,551	3,605
Current		
Bank overdrafts	3,832	190
Hire purchase payables	935	968
Term loans	486	674
Trade financing	17,873	12,919
	23,126	14,751
Total	25,677	18,356

All the borrowings are secured and denominated in Ringgit Malaysia.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B9 Material Litigation

As at the date of this interim financial report, there was no material litigation or arbitration, and the directors are not aware of any pending proceedings or any fact likely to give rise to any proceedings, which may materially and adversely affect the financial position or performance of the Group.

B10 Earnings per Share

The basic and diluted EPS of the Group for the current quarter and financial period under review are as follows:-

	Individual Quarter		Cumulative Quarter	
	30 April		30 April	
	2025	2024 ⁽¹⁾	2025	2024 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Profit attributable to the owners of the Company	1,342	N/A	3,227	N/A
Number of ordinary shares ('000)	499,100	N/A	499,100	N/A
Basic/Diluted ⁽²⁾ EPS (sen)	0.27	N/A	0.65	N/A

Notes:

- (1) There are no comparative figures for the preceding corresponding quarter and period as this is the first interim financial report for the second quarter ended 30 April 2025 announced in compliance with the Listing Requirements.
- (2) Basic EPS is calculated based on the Company's share capital of 499,100,000 ordinary shares upon completion of the Acquisition but before the IPO. The diluted EPS is equivalent to the basic EPS as the Company does not have any convertible options as at the end of the current quarter and financial period under review.

N/A Not applicable

B11 Notes to the Statement of Profit or Loss and Other Comprehensive Income

The Group's profit before tax has been arrived at after charging/(crediting):

	Individual Quarter		Cumulative Quarter	
	30 April		30 April	
	2025	2024⁽¹⁾	2025	2024⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Depreciation				
- investment properties	6	N/A	12	N/A
- property, plant and equipment	196	N/A	327	N/A
Directors' remuneration:				
- fees	347	N/A	410	N/A
- salaries and bonuses	405	N/A	1,034	N/A
- E.P.F. contribution	48	N/A	119	N/A
- E.I.S. contribution	*	N/A	*	N/A
- SOCSO contribution	1	N/A	2	N/A
Interest expenses:				
- bank overdraft interest	17	N/A	32	N/A
- hire purchase interest	44	N/A	90	N/A
- lease interest	*	N/A	1	N/A
- term loan interest	25	N/A	53	N/A
- trade financing interest	312	N/A	485	N/A
Lease expenses:				
- low value assets	7	N/A	13	N/A
Legal and professional fees	63	N/A	149	N/A
Staff costs:				
- salaries, bonuses and allowances	625	N/A	1,473	N/A
- E.P.F. contribution	78	N/A	183	N/A
- E.I.S. contribution	1	N/A	2	N/A
- SOCSO contribution	15	N/A	28	N/A
Wages	2	N/A	3	N/A
Interest income	(25)	N/A	(41)	N/A
Lease income	(13)	N/A	(31)	N/A
Reversal of impairment loss on trade receivables	(15)	N/A	(15)	N/A
Reversal of impairment loss on other receivables	-	N/A	(10)	N/A

Notes:

- (1) There are no comparative figures for the preceding corresponding quarter and period as this is the first interim financial report for the second quarter ended 30 April 2025 announced in compliance with the Listing Requirements.

N/A Not applicable

* Negligible

Save as disclosed above, the other required disclosure items pursuant to Note 16 of Appendix 9B of the Listing Requirements are not applicable.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B12 Authorisation for Issue

The interim financial report for the financial period ended 30 April 2025 was authorised for issuance by the board of directors of Hartanah on 20 June 2025.