



ACO GROUP BERHAD

Company No. 201901020410 (1329739-A)

(Incorporated in Malaysia)

Interim Financial Report For the First Quarter Ended 31 May 2023

ACO GROUP BERHAD

(Company No.: 201901020410 (1329739-A))

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MAY 2023⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.05.2023 Unaudited RM'000	PRECEDING CORRESPONDING QUARTER 31.05.2022 Unaudited RM'000	CURRENT YEAR-TO- DATE 31.05.2023 Unaudited RM'000	PRECEDING YEAR-TO- DATE 31.05.2022 Audited RM'000
Revenue	31,113	36,302	31,113	36,302
Cost of sales	(26,802)	(30,942)	(26,802)	(30,942)
Gross profit	4,311	5,360	4,311	5,360
Other income	208	185	208	185
Administrative expenses	(3,603)	(3,528)	(3,603)	(3,528)
Profit from operations	916	2,017	916	2,017
Finance costs	(179)	(184)	(179)	(184)
Share of results of an associate	10	1,226	10	1,226
Profit before tax	747	3,059	747	3,059
Income tax expense	(287)	(561)	(287)	(561)
Profit for the financial period/year, representing total comprehensive income for the financial period/year	460	2,498	460	2,498
Profit attributable to:				
Owner of the company	460	2,498	460	2,498
	460	2,498	460	2,498
Basic and diluted earnings per share (sen) ^{(2) (3)}	0.13	0.72	0.13	0.72

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MAY 2023⁽¹⁾

Notes:-

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 28 February 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Computation on basic earnings per share is based on the Company's weighted average number of ordinary shares during the financial period under review.
- (3) The diluted earnings per share of the Group for the current quarter and year-to-date are equivalent to the basic earnings per share as the Group does not have any convertible options as at the end of the reporting period.

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ACO GROUP BERHAD

(Company No.: 201901020410 (1329739-A))

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2023⁽¹⁾

	UNAUDITED 31.05.2023 RM'000	AUDITED 28.02.2023 RM'000
Non-Current Assets		
Property, plant, and equipment	18,334	18,655
Right-of-use assets	13,964	14,160
Investment properties	4,600	4,600
Investment in an associate	12,346	12,336
Other investment	1,017	1,017
Deferred tax assets	44	44
	<u>50,305</u>	<u>50,812</u>
Current Assets		
Inventories	47,363	46,392
Trade and other receivables	31,926	29,528
Prepayments	336	420
Current tax assets	279	292
Cash and short-term deposits	21,311	21,095
	<u>101,215</u>	<u>97,727</u>
Current Liabilities		
Trade and other payables	34,320	32,573
Lease liabilities	167	191
Current tax liabilities	80	180
Loans and borrowings	12,736	11,573
	<u>47,303</u>	<u>44,517</u>
Net current assets	53,912	53,210
	<u>104,217</u>	<u>104,022</u>
Financed by:		
Share capital	67,622	67,622
Reserves	22,302	21,842
	<u>89,924</u>	<u>89,464</u>
Non-current liabilities		
Deferred tax liabilities	666	666
Lease liabilities	68	99
Loans and borrowings	13,559	13,793
	<u>14,293</u>	<u>14,558</u>
	<u>104,217</u>	<u>104,022</u>
Number of issued shares ('000)	347,371	347,371
Net assets per share (RM)	<u>0.26</u>	<u>0.26</u>

Note:-

- (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 Company's Audited Financial Statements for the financial year ended 28 February 2023 and the accompanying explanatory notes attached to this interim financial report.

ACO GROUP BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MAY 2023⁽¹⁾

< -- ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY -->
< --- NON-DISTRIBUTABLE ---- > DISTRIBUTABLE

	SHARE CAPITAL RM'000	REORGANISA- TION RESERVE RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000
Balance as at 1 March 2022	67,622	(27,861)	44,656	84,417
Total comprehensive profit for the period/year	-	-	5,741	5,741
Transactions with owners:				
Interim Dividend	-	-	(694)	(694)
Balance as at 28 February 2023 (Audited)	67,622	(27,861)	49,703	89,464

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 Company's Audited Financial Statements for the financial year ended 28 February 2023 and the accompanying explanatory notes attached to this interim financial report.

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(Company No.: 201901020410 (1329739-A))

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MAY 2023⁽¹⁾

	< -- ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY -->			
	< --- NON-DISTRIBUTABLE --- >		DISTRIBUTABLE	
	SHARE CAPITAL	REORGANISA-	RETAINED	TOTAL
	RM'000	TION RESERVE	EARNINGS	RM'000
		RM'000	RM'000	
Balance as at 1 March 2023	67,622	(27,861)	49,703	89,464
Total comprehensive profit for the period	-	-	460	460
Balance as at 31 May 2023 (Unaudited)	<u>67,622</u>	<u>(27,861)</u>	<u>50,163</u>	<u>89,924</u>

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 Company's Audited Financial Statements for the financial year ended 28 February 2023 and the accompanying explanatory notes attached to this interim financial report.

ACO GROUP BERHAD

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MAY 2023⁽¹⁾

	CURRENT YEAR- TO-DATE 31.05.2023 Unaudited RM'000	PRECEDING YEAR- TO-DATE 31.05.2022 Unaudited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	747	3,059
Adjustments for:		
Bad debts recoverable	(1)	-
Depreciation on property, plant and equipment	372	333
Depreciation on right-of-use assets	196	214
Gain on disposal of property, plant and equipment	(69)	-
Finance costs	179	184
Impairment losses on trade receivables	45	29
Interest income	(49)	(50)
Reversal of impairment losses on trade receivables	(12)	(82)
Share of results of an associate	(10)	(1,226)
Operating profit before changes in working capital	1,398	2,461
Changes in working capital:		
Inventories	(971)	(2,924)
Prepayments	84	72
Trade and other payables	1,747	1,171
Trade and other receivables	(2,430)	(1,689)
Net cash used in operations	(172)	(909)
Income tax paid	(373)	(523)
Interest paid	(2)	-
Interest received	49	50
Net cash flows (used in) operating activities	(498)	(1,382)
CASH FLOWS FROM INVESTING ACTIVITY		
Increase in deposits pledged	(83)	(83)
Proceeds from disposal of property, plant and equipment	69	-
Purchase of property, plant and equipment	(52)	(672)
Net cash flows used in investing activity	(66)	(755)

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONT'D) QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MAY 2023⁽¹⁾

	CURRENT YEAR- TO-DATE 31.05.2023 Unaudited RM'000	PRECEDING YEAR- TO-DATE 31.05.2022 Unaudited RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	(198)	(207)
Repayment of finance lease liabilities	(34)	(69)
Proceeds from banker's acceptances	4,410	2,756
Repayment of banker's acceptances	(2,626)	(1,862)
Proceeds from trust receipts	5,218	8,688
Repayment of trust receipts	(5,842)	(6,781)
Payment of lease liabilities	(54)	(54)
Interest paid	(177)	(184)
Net cash flows from financing activities	697	2,287
NET INCREASE IN CASH AND CASH EQUIVALENTS	133	150
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	19,686	22,707
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	19,819	22,857
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD:-		
Cash and bank balances	19,699	22,755
Fixed deposits with licensed banks	1,612	1,261
	21,311	24,016
Less: Deposits pledged	(1,492)	(1,159)
	19,819	22,857

Note:-

- (1) The basis of preparation of Unaudited Condensed Consolidated Cash Flow Statement are disclosed in Note A1 and should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 28 February 2023 and the accompanying explanatory notes attached to this interim financial report.

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A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial report of the Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standard Board (“MASB”) and Rule 9.22 of the ACE Market Listing Requirements (“Listing Requirements”).

The interim financial report should be read in conjunction with the Company’s Audited Financial Statements for the financial year ended 28 February 2023 and the accompanying explanatory notes attached to this interim financial report.

A2 Significant Accounting Policies

The accounting policies adopted by the Group in this interim financial report are consistent with those as disclosed in the Audited Financial Statements of the Company for the financial year ended 28 February 2023, save for the following:-

MFRS and Amendments to MFRSs in issue but not yet effective

The Group has not adopted the following Standards and Amendments to MFRS effective for annual periods beginning on or after 1 January 2024:

- Amendments to MFRS 16 *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101 *Presentation of Financial Statements – Non-current Liabilities with Covenants*
- Amendments to MFRS 107 *Statement Supplier Finance Of Cash flows and MFRS 7 Financial Instruments: Disclosure - Supplier Finance Arrangements*

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures – Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material effect on the financial statements of the Group upon their initial application.

MFRSs, Amendments to MFRSs not applicable

- MFRS 17 *Insurance Contracts*, Amendments to MFRS 17 *Insurance Contracts*, and Amendment to MFRS 17 – *Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 financial Instruments – Comparative Information*.

Comparative Information are not expected to be applicable to the Group.

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A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

A3 Auditors' report on preceding annual financial statements

The auditors' report for the financial year ended 28 February 2023 was not subject to any qualifications.

A4 Seasonal or cyclical factors

The Group's operations for the current financial quarter/year under review were not subject to any seasonal or cyclical factors.

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence for the financial quarter/year under review.

A6 Changes in estimates, significant accounting estimates and judgements.

There were no changes in the nature and estimates of amounts reported which have a material effect on the results for the financial quarter/year under review.

A7 Debts and equity securities

There were no significant issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial quarter under review.

A8 Dividends paid

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

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A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

A9 Segment information

Segmental reporting of the Group's result are as follows:-

Current year to date ended 31 May 2023 (Unaudited)

BUSINESS SEGMENT	INDUSTRIAL USERS RM'000	RESELLERS RM'000	ADJUSTMENT AND ELIMINATIONS RM'000	TOTAL RM'000
Revenue				
Revenue from external customers	24,890	6,223	-	31,113
Internal-segment revenue	1,449	-	(1,449)	-
External revenue	<u>26,339</u>	<u>6,223</u>	<u>(1,449)</u>	<u>31,113</u>
Segment profit	3,621	690	-	4,311
Other income				208
Administrative expenses				(3,603)
Finance costs				(179)
Share of results of an associate				10
Income tax expense				(287)
Profit for the financial period				<u>460</u>

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A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

A9 Segment information

Segmental reporting of the Group's result are as follows:-

Preceding year to date ended 31 May 2022 (Unaudited)

BUSINESS SEGMENT	INDUSTRIAL USERS RM'000	RESELLERS RM'000	ADJUSTMENT AND ELIMINATIONS RM'000	TOTAL RM'000
Revenue				
Revenue from external customers	30,857	5,445	-	36,302
Internal-segment revenue	1,838	-	(1,838)	-
External revenue	<u>32,695</u>	<u>5,445</u>	<u>(1,838)</u>	<u>36,302</u>
Segment profit	4,770	590	-	5,360
Other income				185
Administrative expenses				(3,528)
Finance costs				(184)
Share of results of an associate				1,226
Income tax expense				(561)
Profit for the financial period				<u>2,498</u>

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A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

A10 Significant events subsequent to the end of the interim financial period

There were no other material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review.

A12 Fair value of financial instruments

There were no gain or loss arising from fair value changes for all financial assets and liabilities for the current financial quarter under review.

A13 Capital commitments

There were no capital commitments at the end of the financial quarter under review.

A14 Contingent assets and contingent liabilities

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

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A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

A15 Significant related party transactions

The related party transactions of the Group have been entered into in the normal course of business. Listed below are the significant transactions with related parties of the Group during the current quarter under review:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.05.2023 Unaudited RM'000	PRECEDING CORRESPON- DING QUARTER 31.05.2022 Unaudited RM'000	CURRENT YEAR-TO-DATE 31.05.2023 Unaudited RM'000	PRECEDING YEAR-TO-DATE 31.05.2022 Unaudited RM'000
Associated company				
Sales of goods	337	525	337	525
Purchase of goods	65	30	65	30

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

B1 Review of performance

Performance of the current quarter against the preceding year corresponding quarter

The Group's revenue of RM31.113 million in the current financial quarter under review is 14.3% or RM5.189 million lesser than the revenue of RM36.302 million posted in the preceding year corresponding quarter; while the gross profit ("GP") of RM4.311 million attained in the current quarter is RM1.049 million or 19.6% less than the RM5.360 million GP reported in the preceding year corresponding quarter. The higher revenue in the preceding year corresponding quarter was mainly due to a back-order resulting from the recovery of the Movement Control Order. Meanwhile in the current quarter under review, the depreciation of our currency has further weakened the sentiment of the economy as the volatility of the costs of materials remained a challenge for consumers to be cautious in investments, expansion, and expenditure.

The Group's profit before tax ("PBT") in the current financial quarter under review amounted to RM0.747 million representing a decline of 75.5% or RM2.312 million from the preceding year's corresponding quarter's PBT of RM3.059 million. The notable decrease is due to a considerably lower share of results of an associate, which recorded a surge in sales in the preceding year corresponding quarter and lower sales in the current quarter.

B2 Variation of results against preceding quarter

	INDIVIDUAL QUARTER		Variance	
	CURRENT QUARTER 31.05.2023 RM'000	PRECEDING QUARTER 28.02.2023 RM'000	RM'000	%
Revenue	31,113	27,735	3,378	12.18
PBT	<u>747</u>	<u>557</u>	190	34.11

The Group recorded a revenue growth of RM3.378 million or 12.18% for the current quarter under review, reaching RM31.113 million compared to RM27.735 million achieved in the preceding financial quarter ended 28 February 2023. However, PBT between both quarters remained relatively comparable, with only a marginal increase of RM0.190 million in the current quarter. Overall, the Group posted a PBT of RM0.747 million in the current financial quarter as compared to the RM0.557 million recorded in the preceding financial quarter.

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B3 Prospects

Malaysia recorded a 5.6% gross domestic product (GDP) growth in the first quarter of 2023, (4Q 2023: 7.1%; 3Q: 14.1%; 2Q: 8.8%). The growth is mainly contributed by strong domestic demand, further expansion of household spending, continued investment activities, improvement in labour market and higher tourism activities. However, the outlook remains susceptible to weaker global growth, headwinds from elevated inflation, and tighter monetary policy as well as escalation of geopolitical tensions (Source: Bank Negara Malaysia's Quarterly Bulletin 1Q 2023).

In light of the persistent challenging operating environment and volatility of raw material prices, businesses and customers have taken the approach of tactically reducing their target inventory holdings and deferring their forecasted orders as a precaution against potential future uncertainties. In response to these market conditions, the Group must proceed with caution and navigate through the unpredictable markets. This involves implementing measures to enhance operational efficiency, improving sales performance, building resilience in the supply chain, expanding product portfolio, and exercising prudence in cost optimisation to minimise any adverse effect on the Group's profitability to achieve sustainable growth.

On the other hand, the Group is hopeful for an improved contribution from its operations in the East Coast region, which has been facing a downturn in its performance. The Group anticipates that the associate company's performance will recover, leading to a positive impact on the overall financial results. In the meantime, EV Connection Sdn Bhd ("EVC"), in which the Group had acquired a stake, continues to experience positive developments due to the accelerated adoption of electric vehicles in Malaysia which is driven by the government's initiatives towards its Environmental, Social, and Governance (ESG) commitments. EVC is also a provider of solar engineering, procurement, construction, and commissioning solutions.

Notwithstanding the above, the Board recognises the challenges ahead and remains cautious on the prospects of the Group. However, the Group is steadfast in its commitment to advancing business sustainability and striving for long-term success.

B4 Profit forecast

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

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B5 Income tax expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.05.2023 Unaudited RM'000	PRECEDING CORRESPON- DING QUARTER 31.05.2022 Unaudited RM'000	CURRENT YEAR- TO-DATE 31.05.2023 Unaudited RM'000	PRECEDING YEAR- TO-DATE 31.05.2022 Audited RM'000
In respect of the current period:				
Income tax expense	287	561	287	561
Total	287	561	287	561
Effective tax rate (%)	38%	18%	38%	18%

The effective tax rate for the current financial quarter ended 31 May 2023 was higher than the statutory tax rate of 24% due to non-deductible expenses. In comparison, the preceding corresponding quarter's tax rates were lower mainly due to the non-taxable effects of share of results of an associate.

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

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B6 Status of corporate proposals

There are no other corporate proposals announced but not yet completed as at the date of this interim financial report.

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B7 Utilisation of proceeds raised from the Private Placement

On 31 December 2021, the Company completed a private placement exercise involving the issuance of 43.871 million new ordinary shares (“Private Placement”). The total fund raised from the Private Placement is approximately RM14.604 million.

The status of utilisation of proceeds based on funds raised from the Private Placement as at 31 May 2023 is as follows:-

PURPOSES	PROPOSED UTILISATION (BASED ON ANNOUNCEMENT MADE ON 17 SEPTEMBER 2020)	REVISED UTILISATION (PURSUANT TO THE COMPLETION OF THE PRIVATE PLACEMENT)	ACTUAL UTILISATION	BALANCE UNUTILISED	ESTIMATED TIME FRAME FOR UTILISATION (FROM THE DATE OF LISTING OF THE PLACEMENTS SHARES)
	RM'000	RM'000	RM'000	RM'000	
Acquisition of Focus Electrical	5,145	5,145	2,030	3,115	Within 30 months
Capital injection in Focus Electrical	6,370	6,370	6,370	-	Within 12 months
Repayment of bank borrowings	2,435	-	-	-	Not applicable
Investment in new business	5,000	-	-	-	Not applicable
Working capital	3,000	2,439	2,439	-	Within 12 months
Estimated expenses in relation to the Proposals	650	650	650	-	Upon completion of the Proposal
	22,600	14,604	11,489	3,115	

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B7 Utilisation of proceeds raised from the Private Placement (Cont'd)

The utilisation of the proceeds as disclosed above should be read together with the announcement made by the Company dated 17 September 2020 in relation to the Private Placement, as well as Company's announcement dated 31 December 2021 pertaining to the completion of the Private Placement.

B8 Group's borrowings and debt securities

The Group's borrowings are as follows:-

	PAYABLE WITHIN 12 MONTHS RM'000	PAYABLE AFTER 12 MONTHS RM'000	TOTAL OUTSTANDING RM'000
<u>Secured borrowings</u>			
Banker's acceptances	5,157	-	5,157
Trust receipts	6,577	-	6,577
Hire purchases	122	21	143
Term loans	880	13,538	14,418
	<u>12,736</u>	<u>13,559</u>	<u>26,295</u>

The secured bank borrowings and other facilities are secured by way of:-

- (a) Legal charges over freehold land and buildings of subsidiaries;
- (b) Legal charges over leasehold land and buildings of subsidiaries;
- (c) Joint and several guarantees by the Company's director;
- (d) Legal charges over fixed deposits of a subsidiary; and
- (e) Legal charges over an investment property.

The bank borrowings and other facilities are denoted in local currency.

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B9 Material litigations

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

B10 Proposed dividends

On 21 July 2023, the Board has approved the declaration and payment of an interim dividend of 0.20 sen per ordinary share in respect of the financial year ending 29 February 2024. The entitlement to dividend will be determined based on the Record of Depositors as at 7 August 2023.

B11 Basic and diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.05.2023	PRECEDING CORRESPON -DING QUARTER 31.05.2022	CURRENT YEAR TO-DATE 31.05.2023	PRECEDING YEAR-TO-DATE 31.05.2022
Net profit for the period attributable to ordinary equity holders of the company (RM'000)	<u>460</u>	<u>2,498</u>	<u>460</u>	<u>2,498</u>
Weighted average number of shares in issue ('000)	<u>347,371</u>	<u>347,371</u>	<u>347,371</u>	<u>347,371</u>
Basic and diluted earnings per share (sen) ^{(1) (2)}	<u>0.13</u>	<u>0.72</u>	<u>0.13</u>	<u>0.72</u>

Notes:-

- (1) The basic earnings per share is computed based on profit after tax attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue during the financial period under review.
- (2) The diluted earnings per share of the Group is equivalent to the basic earnings per share as the Group does not have any convertible options as at the end of the reporting period.

ACO GROUP BERHAD

(Company No.: 201901020410 (1329739-A))

(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B12 Notes to the statement of comprehensive income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.05.2023 Unaudited RM'000	PRECEDING CORRESPON- DING QUARTER 31.05.2022 Unaudited RM'000	CURRENT YEAR-TO- DATE 31.05.2023 Unaudited RM'000	PRECEDING YEAR-TO-DATE 31.05.2022 Unaudited RM'000
The following amounts have been included in arriving at profit before tax:-				
Finance costs	179	184	179	184
Depreciation on property, plant and equipment	372	333	372	333
Depreciation on right-of-use assets	196	214	196	214
Impairment losses on trade receivables	45	29	44	29
Equipment rental expenses	14	18	14	18
and after crediting:				
Interest income	48	50	48	50
Rental income	77	53	77	53
Bad debts recoverable	1	-	1	-
Reversal of impairment losses on trade receivables	12	82	12	82

By Order of the Boards

Date: 26 July 2023