



ACO GROUP BERHAD

Company No. 201901020410 (1329739-A)

(Incorporated in Malaysia)

Interim Financial Report For the Third Quarter Ended 30 November 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 THIRD QUARTER ENDED 30 NOVEMBER 2023⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 30.11.2023 Unaudited RM'000	PRECEDING CORRESPONDING QUARTER 30.11.2022 Unaudited RM'000	CURRENT YEAR-TO- DATE 30.11.2023 Unaudited RM'000	PRECEDING YEAR-TO- DATE 30.11.2022 Unaudited RM'000
Revenue	36,829	29,180	101,758	104,772
Cost of sales	(31,860)	(24,093)	(87,504)	(89,681)
Gross profit	4,969	5,087	14,254	15,091
Other income	528	295	922	714
Administrative expenses	(3,985)	(3,402)	(11,002)	(10,433)
Profit from operations	1,512	1,980	4,174	5,372
Finance costs	(156)	(180)	(517)	(552)
Share of results of an associate	176	63	195	2,138
Profit before tax	1,532	1,863	3,852	6,958
Income tax expense	(476)	(485)	(1,333)	(1,430)
Profit for the financial period/year, representing total comprehensive income for the financial period/year	1,056	1,378	2,519	5,528
Profit attributable to:				
Owner of the company	1,056	1,378	2,519	5,528
	1,056	1,378	2,519	5,528
Basic and diluted earnings per share (sen) ^{(2) (3)}	0.30	0.40	0.70	1.60

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME QUARTERLY REPORT ON THE RESULTS FOR THE THIRD QUARTER ENDED 30 NOVEMBER 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 30 NOVEMBER 2023⁽¹⁾

	UNAUDITED 30.11.2023 RM'000	AUDITED 28.02.2023 RM'000
Non-Current Assets		
Property, plant, and equipment	13,624	18,655
Right-of-use assets	13,580	14,160
Investment properties	5,860	4,600
Investment in an associate	18,901	12,336
Other investment	1,017	1,017
Deferred tax assets	44	44
	<u>53,026</u>	<u>50,812</u>
Current Assets		
Inventories	48,717	46,392
Trade and other receivables	35,627	29,528
Prepayments	243	420
Current tax assets	172	292
Cash and short-term deposits	22,847	21,095
	<u>107,606</u>	<u>97,727</u>
Current Liabilities		
Trade and other payables	45,858	32,573
Lease liabilities	103	191
Current tax liabilities	44	180
Loans and borrowings	12,114	11,573
	<u>58,119</u>	<u>44,517</u>
Net current assets	49,487	53,210
	<u>102,513</u>	<u>104,022</u>
Financed by:		
Share capital	67,622	67,622
Reserves	23,666	21,842
	<u>91,288</u>	<u>89,464</u>
Non-current liabilities		
Deferred tax liabilities	666	666
Lease liabilities	33	99
Loans and borrowings	10,526	13,793
	<u>11,225</u>	<u>14,558</u>
	<u>102,513</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

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

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY QUARTERLY REPORT ON THE RESULTS FOR THE THIRD QUARTER ENDED 30 NOVEMBER 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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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY QUARTERLY REPORT ON THE RESULTS FOR THE THIRD QUARTER ENDED 30 NOVEMBER 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 2023	67,622	(27,861)	49,703	89,464
Total comprehensive profit for the period	-	-	2,519	2,519
Transactions with owners				
Interim Dividend	-	-	(695)	(695)
Balance as at 30 November 2023 (Unaudited)	67,622	(27,861)	51,527	91,288

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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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE THIRD QUARTER ENDED 30 NOVEMBER 2023⁽¹⁾

	CURRENT YEAR- TO-DATE 30.11.2023 Unaudited RM'000	PRECEDING YEAR- TO-DATE 30.11.2022 Unaudited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,852	6,958
Adjustments for:		
Bad debts recoverable	(10)	(4)
Depreciation on property, plant and equipment	1,094	1,040
Depreciation on right-of-use assets	580	618
Finance costs	517	552
Gain on disposal of property, plant and equipment	(485)	(96)
Impairment losses on trade receivables	76	29
Interest income	(169)	(171)
Inventories written off	23	-
Property, plant and equipment written off	50	-
Property, plant and equipment reclassified	139	-
Reversal of impairment losses on trade receivables	(22)	(228)
Share of results of an associate	(195)	(2,138)
Operating profit before changes in working capital	5,450	6,560
Changes in working capital:		
Inventories	(2,348)	(3,086)
Prepayments	177	49
Trade and other payables	6,915	(3,683)
Trade and other receivables	(6,144)	2,427
Net cash generated from operations	4,050	2,267
Income tax paid	(1,352)	(1,476)
Income tax refund	4	-
Interest paid	(6)	-
Interest received	169	171
Net cash flows generated from operating activities	2,865	962
CASH FLOWS FROM INVESTING ACTIVITY		
Increase/(Decrease) in deposits pledged	138	(250)
Proceeds from disposal of property, plant and equipment	2,033	97
Purchase of property, plant and equipment	(393)	(1,745)
Net cash flows generated from/(used in) investing activity	1,778	(1,898)

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONT'D) QUARTERLY REPORT ON THE RESULTS FOR THE THIRD QUARTER ENDED 30 NOVEMBER 2023⁽¹⁾

	CURRENT YEAR- TO-DATE 30.11.2023 Unaudited RM'000	PRECEDING YEAR- TO-DATE 30.11.2022 Unaudited RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	(1,978)	(617)
Repayment of finance lease liabilities	(104)	(147)
Proceeds from banker's acceptances	16,596	7,187
Repayment of banker's acceptances	(12,294)	(7,050)
Proceeds from trust receipts	9,763	21,463
Repayment of trust receipts	(13,375)	(22,100)
Payment of lease liabilities	(154)	(162)
Interest paid	(511)	(552)
Dividend paid	(695)	(694)
Net cash flows used in financing activities	(2,752)	(2,672)
NET DECREASE IN CASH AND CASH EQUIVALENTS	1,891	(3,608)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	19,686	22,707
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	21,577	19,099
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD:-		
Cash and bank balances	20,440	18,985
Fixed deposits with licensed banks	2,407	1,439
	22,847	20,424
Less: Deposits pledged	(1,270)	(1,325)
	21,577	19,099

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 of Cash Flows* and MFRS 7 *Financial Instruments: Disclosure - Supplier Finance Arrangements*

The Group has not adopted the following Standards and Amendments to MFRS effective for annual periods beginning on or after 1 January 2025:

- Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*

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.

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

A2 Significant Accounting Policies (Cont'd)

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.

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

A first interim single tier dividend of 0.20 sen per ordinary share amounting to RM694,743 in respect of the financial year ending 29 February 2024 had been paid by the Company on 6 September 2023 to shareholders whose names appeared in the Register of Depositors at the close of business on 7 August 2023.

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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 30 November 2023 (Unaudited)

BUSINESS SEGMENT	INDUSTRIAL USERS RM'000	RESELLERS RM'000	ADJUSTMENT AND ELIMINATIONS RM'000	TOTAL RM'000
Revenue				
Revenue from external customers	79,371	22,387	-	101,758
Internal-segment revenue	4,466	-	(4,466)	-
External revenue	<u>83,837</u>	<u>22,387</u>	<u>(4,466)</u>	<u>101,758</u>
Segment profit	11,973	2,281	-	14,254
Other income				922
Administrative expenses				(11,002)
Finance costs				(517)
Share of results of an associate				195
Income tax expense				<u>(1,333)</u>
Profit for the financial period				<u>2,519</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 30 November 2022 (Unaudited)

BUSINESS SEGMENT	INDUSTRIAL USERS RM'000	RESELLERS RM'000	ADJUSTMENT AND ELIMINATIONS RM'000	TOTAL RM'000
Revenue				
Revenue from external customers	87,111	17,661	-	104,772
Internal-segment revenue	5,416	-	(5,416)	-
External revenue	<u>92,527</u>	<u>17,661</u>	<u>(5,416)</u>	<u>104,772</u>
Segment profit	12,816	2,276	-	15,091
Other income				714
Administrative expenses				(10,433)
Finance costs				(552)
Share of results of an associate				2,138
Income tax expense				(1,430)
Profit for the financial period				<u>5,528</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 30.11.2023 Unaudited RM'000	PRECEDING CORRESPON- DING QUARTER 30.11.2022 Unaudited RM'000	CURRENT YEAR-TO-DATE 30.11.2023 Unaudited RM'000	PRECEDING YEAR-TO-DATE 30.11.2022 Unaudited RM'000
Associated company				
Sales of goods	453	533	1,453	1,754
Purchase of goods	86	62	201	284
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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

In the current financial quarter, the Group recorded a revenue of RM36.829 million, a substantial increase of 26.21% or RM7.649 million compared to the RM29.180 million reported in the preceding year corresponding quarter. The lower revenue in the preceding year corresponding quarter was primarily attributed to businesses adopting a cautious approach in anticipation of the impact of the 15th Malaysian General Election. Nevertheless, the Group recorded a gross profit (“GP”) of RM4.969 million for the current financial quarter which represents a decrease of 2.32% or RM0.118 million, compared to the preceding year’s corresponding quarter GP of RM5.087 million. The lower GP for the current financial quarter is attributed to higher costs of goods sold due to rising raw material prices.

The profit before tax (“PBT”) for the current financial quarter stands at RM1.532 million, reflecting a 17.77% or RM0.331 million decrease from the preceding year corresponding quarter’s PBT of RM1.863 million. Setbacks to the PBT include increased IT expenses due to systems and software upgrades, as well as higher administrative costs.

Performance of the current year-to-date against the preceding year-to-date

The year-to-date (“YTD”) revenue of RM101.758 million and GP of RM14.254 million represent a slight decrease of 2.88% and 5.55%, respectively, compared to the previous YTD figures of RM104.772 million in revenue and RM15.091 million in GP. The higher revenue in the preceding YTD was mainly due to a back-order resulting from the recovery of the Movement Control Order; whereas the improved GP in the current YTD can be attributed to less volatile costs of materials.

Meanwhile, the cumulative PBT of RM3.852 million for the current YTD is 44.64% or RM3.106 million lower compared to the cumulative PBT of RM6.958 million in the previous YTD. This is primarily due to a significant lower share of results from an associate, in addition to the factors mentioned in the corresponding quarter comparison above.

B2 Variation of results against preceding quarter

	INDIVIDUAL QUARTER		Variance	
	CURRENT QUARTER 30.11.2023 RM’000	PRECEDING QUARTER 31.08.2023 RM’000	RM’000	%
Revenue	36,829	33,816	3,013	8.91
PBT	<u>1,532</u>	<u>1,572</u>	(40)	(2.54)

The current quarter’s revenue of RM36.829 million is 8.91% or RM3.013 million higher than the preceding quarter’s revenue of RM33.816 million. Despite the higher revenue, PBTs between both quarters were comparable due to higher administrative expenses in the current quarter, despite an improved contribution from the share of results of an associate.

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

B3 Prospects

The Malaysian economy expanded by 3.3% in the third quarter of 2023 (2Q: 2.9%; 1Q: 5.6%; 4Q 2022: 7.1%). Factors supporting this growth include expansion in domestic demand, continued improvement in labour market conditions, further recovery in tourism activities and higher construction activity. On the other hand, factors weighing on the growth include weaker external demand and lower mining production. Further expansion in domestic demand and improvement in external demand are expected to be the key growth drivers for 2024. (Source: Bank Negara Malaysia's Quarterly Bulletin 3Q 2023).

In light of the challenging external operating environment in the short term, the Group shall continue to closely monitor its sales performance, improve its operational efficiencies, and adopt prudent cost management to ensure business profitability.

Meanwhile, the Group strives for a sustained positive contribution from its operations in the East Coast region, which experienced a recovery in the last quarter. On a different note, EV Connection Sdn Bhd ("EVC"), a company in which the Group holds a stake, continues to solidify its presence in the local electric vehicle ("EV") scene through new collaborations with key industry player. A forerunner of EV charging solutions in the country, EVC is also a provider of solar engineering, procurement, construction, and commissioning solutions.

Barring any unforeseen circumstances, the Group expects the financial performance for the financial year ending 29 February 2024 to be satisfactory, with appropriate measures in place.

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 30.11.2023 Unaudited RM'000	PRECEDING CORRESPON- DING QUARTER 30.11.2022 Unaudited RM'000	CURRENT YEAR- TO-DATE 30.11.2023 Unaudited RM'000	PRECEDING YEAR- TO-DATE 30.11.2022 Audited RM'000
In respect of the current period:				
Income tax expense	476	485	1,333	1,430
Total	476	485	1,333	1,430
Effective tax rate (%)	31%	26%	35%	21%

The effective tax rate for the current financial quarter and year-to-date ended 30 November 2023 was higher than the statutory tax rate of 24% due to non-deductible expenses. In comparison, the preceding corresponding quarter and corresponding year-to-date'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 30 November 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	

Based on the Company’s announcement dated 29 December 2023, the retained purchase consideration of RM3.115 million will be used to settle the shortfall in relation to the acquisition of Focus Electrical (“Acquisition”). The utilisation of proceeds for the purpose of the Acquisition should be read together with the Company’s announcements dated 17 September 2020, 25 September 2020, 16 October 2020, 23 October 2020, 17 November 2020, 27 November 2020 and 30 November 2020.

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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	7,675	-	7,675
Trust receipts	3,588	-	3,588
Hire purchases	74	-	74
Term loans	777	10,526	11,303
	<u>12,114</u>	<u>10,526</u>	<u>22,640</u>

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

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

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

ACO GROUP BERHAD

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

(Incorporated in Malaysia)

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

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

B11 Basic and diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 30.11.2023	PRECEDING CORRESPON -DING QUARTER 30.11.2022	CURRENT YEAR TO-DATE 30.11.2023	PRECEDING YEAR-TO-DATE 30.11.2022
Net profit for the period attributable to ordinary equity holders of the company (RM'000)	<u>1,056</u>	<u>1,378</u>	<u>2,519</u>	<u>5,528</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>0.30</u>	<u>0.40</u>	<u>0.73</u>	<u>1.60</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.

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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 30.11.2023 Unaudited RM'000	PRECEDING CORRESPON- DING QUARTER 30.11.2022 Unaudited RM'000	CURRENT YEAR-TO-DATE 30.11.2023 Unaudited RM'000	PRECEDING YEAR-TO-DATE 30.11.2022 Unaudited RM'000
The following amounts have been included in arriving at profit before tax:-				
Finance costs	156	180	517	552
Depreciation on property, plant and equipment	346	354	1,094	1,040
Depreciation on right-of-use assets	192	200	580	618
Impairment losses on trade receivables	-	-	76	29
Equipment rental expenses	18	15	47	48
	<hr/>	<hr/>	<hr/>	<hr/>
and after crediting:				
Interest income	62	55	169	171
Rental income	85	52	232	157
Bad debts recoverable	3	4	10	4
Reversal of impairment losses on trade receivables	5	67	22	228
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By Order of the Board

Date: 24 January 2024