



**ECONFRAME BERHAD**  
(Registration No. 201901042935) (1352265-T))  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2020**

**ECONFRAME BERHAD**  
(Registration No. 201901042935) (1352265-T))  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
AND OTHER COMPREHENSIVE INCOME FOR THE  
CURRENT QUARTER AND FINANCIAL PERIOD TO DATE ENDED 30 NOVEMBER 2020**

	INDIVIDUAL QUARTER 3 MONTHS		CUMMULATIVE QUARTER 3 MONTHS	
	UNAUDITED 30/11/2020	UNAUDITED 30/11/2019	UNAUDITED 30/11/2020	UNAUDITED 30/11/2019
	RM'000	RM'000	RM'000	RM'000
Revenue	11,570	N/A	11,570	N/A
Cost of sales	(7,598)	N/A	(7,598)	N/A
Gross profit	3,972	N/A	3,972	N/A
Other income	39	N/A	39	N/A
Administrative expenses <sup>(3)</sup>	(1,379)	N/A	(1,379)	N/A
Distribution expenses	(288)	N/A	(288)	N/A
Operating profit	2,344	N/A	2,344	N/A
Finance costs	(9)	N/A	(9)	N/A
Profit before tax	2,335	N/A	2,335	N/A
Income tax expense	(699)	N/A	(699)	N/A
Profit for the financial period	1,636	N/A	1,636	N/A
Other comprehensive income	-	N/A	-	N/A
<b>Total comprehensive income for the financial period</b>	<b>1,636</b>	<b>N/A</b>	<b>1,636</b>	<b>N/A</b>
<b>Profit for the financial period attributable to:</b>				
- Owners of the Company	1,636	N/A	1,636	N/A
<b>Total comprehensive income for the financial period attributable to:</b>				
- Owners of the Company	1,636	N/A	1,636	N/A
<b>Earnings per share attributable to owners of the Company:</b>				
- Basic (sen) <sup>(4)</sup>	0.58	N/A	0.58	N/A
- Diluted (sen) <sup>(5)</sup>	0.58	N/A	0.58	N/A

**Notes:**

- 1) The basis of preparation of the unaudited condensed consolidated statements of profit or loss and other comprehensive income is disclosed in Note A1 and should be read in conjunction with the audited Financial Statements for the financial year ended 31 August 2020 ("AFS 2020") and the accompanying explanatory notes attached to this interim financial report.
- 2) No comparative figures are available for the preceding year's corresponding quarter and year-to-date as this is the third interim financial report on the consolidated results announced by the Group in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").
- 3) Includes listing expenses of RM0.31 million expensed out in the current quarter ended 30 November 2020.
- 4) Basic earnings per share is calculated based on the weighted average number of ordinary shares in issuance for the individual quarter and cumulative quarter ended 30 November 2020.
- 5) Diluted earnings per share for the individual quarter and cumulative quarter ended 30 November 2020 are equivalent to the basic earnings per share for the individual quarter and cumulative quarter ended 30 November 2020 as the Company does not have any convertible securities as at the end of the reporting period.
- 6) N/A denotes not applicable.

**ECONFRAME BERHAD**  
(Registration No. 201901042935) (1352265-T))  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 NOVEMBER 2020**

	UNAUDITED AS AT THE END OF CURRENT QUARTER 30/11/2020 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/08/2020 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	9,543	9,633
Investment properties	300	300
	9,843	9,933
<b>Current Assets</b>		
Inventories	4,052	3,638
Trade receivables	14,558	12,927
Other receivables, deposits and prepayments	1,350	1,024
Short-term deposits	2,950	2,930
Cash and bank balances	23,831	5,780
	46,741	26,299
<b>Total assets</b>	56,584	36,232
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Issued capital	43,297	26,000
Revaluation reserve	4,218	4,218
Reorganisation reserve	(25,825)	(25,825)
Retained earnings	28,593	26,957
<b>Total equity</b>	50,283	31,350
<b>Non-current Liabilities</b>		
Loans and borrowings	460	511
Deferred taxation	1,435	1,430
	1,895	1,941
<b>Current Liabilities</b>		
Trade payables	2,043	1,456
Other payables and accruals	1,602	1,045
Loans and borrowings	283	283
Tax payable	478	157
	4,406	2,941
<b>Total liabilities</b>	6,301	4,882
<b>Total equity and liabilities</b>	56,584	36,232
<b>Net assets per share attributable to owners of the Company (sen)</b>	15.47 <sup>(2)</sup>	12.05 <sup>(3)</sup>

**Notes:**

- 1) The basis of preparation of the unaudited condensed consolidated statement of financial position is disclosed in Note A1 and should be read in conjunction with the AFS 2020 and the accompanying explanatory notes attached to this interim financial report.
- 2) Net assets per share was calculated based on the enlarged number of ordinary shares of 325,000,000 shares following the completion of the IPO (as defined and further explained in Note A6 below).
- 3) Net assets per share was calculated based on the ordinary shares in issuance of 260,000,000 shares before the Public Issue (as defined and further explained in Note A6 below)

**ECONFRAME BERHAD**  
(Registration No. 201901042935) (1352265-T))  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2020**

	<b>Share capital RM'000</b>	<b>Non-Distributable reserve</b>		<b>Distributable reserve Retained earnings RM'000</b>	<b>Total RM'000</b>
		<b>Revaluation reserve RM'000</b>	<b>Reorganisation reserve RM'000</b>		
Balance as at 1 September 2020	26,000	4,218	(25,825)	26,957	31,350
Total comprehensive income for the period	-	-	-	1,636	1,636
Transactions with the owners:					
New shares issued for the IPO <sup>(3)</sup>	18,200	-	-	-	18,200
New shares issuance expense for the IPO <sup>(4)</sup>	(903)	-	-	-	(903)
Total transactions with the owners:	17,297	-	-	-	17,297
Balance as at 30 November 2020	43,297	4,218	(25,825)	28,593	50,283

**Notes:**

- 1) The basis of preparation of the unaudited condensed consolidated statement of changes in equity is disclosed in Note A1 and should be read in conjunction with the AFS 2020 and the accompanying explanatory notes attached to this interim financial report.
- 2) As this is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities, there are no available comparative figures for the preceding year's corresponding quarter.
- 3) Issuance of new shares pursuant to the IPO (as defined and further explained in Note A6 below).
- 4) Listing expenses incurred pursuant to the IPO (as defined and further explained in Note A6 below) that has been set-off against equity.

**ECONFRAME BERHAD**  
(Registration No. 201901042935) (1352265-T))  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2020**

	<b>CURRENT PERIOD TO DATE 30/11/2020 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD <sup>(2)</sup> 30/11/2019 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,335	N/A
Adjustments for:		
Depreciation of property, plant & equipment	103	N/A
Interest expense	9	N/A
Interest income	(1)	N/A
Operating profit before changes in working capital	2,446	N/A
Changes in Working Capital:		
Inventories	(414)	N/A
Trade and other receivables	(1,915)	N/A
Trade and other payables	1,144	N/A
Net cash generated from operations	1,261	N/A
Income tax paid	(373)	N/A
Net cash from operating activities	888	N/A
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(13)	N/A
Change in pledged deposits	(20)	N/A
Interest income	1	N/A
Net cash used in investing activities	(32)	N/A
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(8)	N/A
Proceeds from issuance of shares	17,255	N/A
Repayment of term loans	(39)	N/A
Repayment of lease liabilities	(13)	N/A
Net cash from financing activities	17,195	N/A
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	18,051	N/A
<b>CASH AND CASH EQUIVALENT AT BEGINNING OF FINANCIAL PERIOD</b>	5,780	N/A
<b>CASH AND CASH EQUIVALENT AT END OF FINANCIAL PERIOD</b>	23,831	N/A

**Notes:**

- 1) The basis of preparation of the above unaudited condensed consolidated statement of cash flows is disclosed in Note A1 and should be read in conjunction with the audited Financial Statements for the financial year ended 31 August 2020 and the accompanying explanatory notes attached to this interim financial report.
- 2) As this is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities, there are no available comparative figures for the preceding year's corresponding.
- 3) N/A denotes not applicable.

**A EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1 Basis of preparation**

The interim financial statements are unaudited and had been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards (“MFRSs”) 134 Interim Financial Reporting and Appendix 9B of the Listing Requirements of Bursa Securities.

This is the third interim financial statements announced on the Group’s unaudited condensed consolidated financial results in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The unaudited interim financial statements should be read in conjunction with the AFS 2020 and the accompanying explanatory notes are attached to this interim financial report.

**Statement of compliance**

The unaudited interim financial statements of the Group have been prepared in accordance with the MFRSs, International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act 2016 in Malaysia.

The accounting policies adopted for the interim financial report are consistent with those adopted for the AFS 2020 except for the adoption of standard and amendments to standards that are mandatory for the Group for the financial year beginning 1 September 2020:

	<b>Effective for financial periods beginning on or after</b>
<u>New MFRS</u>	
MFRS 17 Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>	
MFRS 3 Reference to the Conceptual Framework	1 January 2022
MFRS 101 Classification of liabilities as current or non-current	1 January 2022
MFRS 116 Proceeds before Intended Use	1 January 2022
MFRS 137 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRSs 2018 – 2022	1 January 2022

The adoption of these standard and amendments to standard did not have any material impact on the interim financial report of the Group.

**A2 Auditors' report**

The audit report of the Group's AFS 2020 was not qualified.

**A3 Seasonal or cyclical factors**

The Group's operations were not subjected to any significant seasonal or cyclical factors.

**A4 Material unusual items**

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

**A5 Changes in estimates**

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

**A6 Debt and equity securities**

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

In conjunction with the Company's listing on the ACE Market of Bursa Securities where it has undertaken an initial public offering ("IPO") comprising:

- (i) Public issue of 65,000,000 new ordinary shares ("Public Issue") in the Company allocated in the following manner:
  - 16,250,000 new shares available for application by the Malaysian public;
  - 3,250,000 new shares available for application by the eligible directors and employees of the Group;
  - 13,000,000 new shares by way of private placement to selected investors; and
  - 32,500,000 new shares by way of private placement to identified bumiputera investors approved by the Ministry of International Trade and Industry Malaysia; and
- (ii) Offer for sale of 32,500,000 existing shares by way of private placement to selected investors, at an issue/offer price of RM0.28 per share ("IPO Price").

The listing exercise was completed and the Company was listed on 27 October 2020.

**A7 Dividends paid**

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

**ECONFRAME BERHAD**  
(Registration No. 201901042935) (1352265-T))  
(Incorporated in Malaysia)

**A8 Segment information**

The unaudited segment information for the individual quarter and cumulative quarter ended 30 November 2020 are as follows:

	<b>Manufacturing RM'000</b>	<b>Trading RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<b>30 November 2020</b>				
Revenue:				
Revenue from external customers	9,149	2,421	-	11,570
Inter-segment revenue	83	-	(83)	-
	9,232	2,421	(83)	11,570
Segment profit	3,226	746		3,972
Other income				39
Unallocated expenses				(1,667)
Finance costs				(9)
Income tax expense				(699)
Profit for the financial period				1,636

**Notes:**

- 1) As this is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities, there are no available comparative figures for the preceding year's corresponding quarter.

**A9 Valuation of property, plant and equipment and investment property**

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter under review.

**A10 Material events subsequent to the end of the quarter**

There were no material event subsequent to the end of the financial quarter under review.

**A11 Changes in the composition of the group**

There were no changes to the composition of the Group for the financial quarter under review.

**A12 Capital commitments**

There were no capital commitments in the Group for the current financial quarter under review, save for the capital commitments as disclosed in Note B6 for the land acquisition and construction of a new manufacturing facility of RM8.6 million and machinery for automation of manufacturing process of RM4.0 million, which was approved but not contracted for.

**A13 Related party transactions**

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



**ECONFRAME BERHAD**  
(Registration No. 201901042935) (1352265-T))  
(Incorporated in Malaysia)

**B ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET**

**B1 Review of performance**

	Individual Quarter		Changes	Cumulative Quarter		Changes
	Unaudited 30 November 2020 RM'000	Unaudited 30 November 2019 RM'000	RM'000 /%	Unaudited 30 November 2020 RM'000	Unaudited 30 November 2019 RM'000	RM'000 /%
Revenue	11,570	N/A	N/A	11,570	N/A	N/A
Profit before tax	2,335	N/A	N/A	2,335	N/A	N/A
Profit after tax	1,636	N/A	N/A	1,636	N/A	N/A

**Individual quarter and cumulative quarter (3 months)**

The Group recorded revenue of RM11.57 million for the current financial quarter ended 30 November 2020. The Group's revenue was principally derived from the manufacturing segment accounting for approximately 79.1% of the total revenue, which was mainly driven by the sales of metal door frames and fire resistant door sets.

Overall, the Group registered a profit before tax of RM2.34 million (including listing expenses of RM0.31 million having been expensed out). Excluding the listing expenses of RM0.31 million, the Group would have registered a profit before tax of RM2.65 million for the current financial quarter under review.

**B2 Comparison with immediate preceding quarter's results**

	Individual Quarter		Variance RM'000	Variance %
	30 November 2020 RM'000	31 August 2020 RM'000		
Revenue	11,570	10,641	929	8.7
Profit before tax <sup>(1)</sup>	2,335	1,733	602	34.7
Profit after tax	1,636	1,130	506	44.8

**Note:**

- 1) Including the listing expenses of RM0.31 million expensed out in both individual quarter ended 30 November 2020 and preceding quarter ended 31 August 2020.

The Group recorded an increase in revenue of RM0.93 million or 8.7% to RM11.57 million in the current quarter ended 30 November 2020 as compared to RM10.64 million in the preceding quarter ended 31 August 2020. The increase was mainly contributed by the manufacturing segment which was due to higher sales volume as a result of the increase in economic activities following the easing of restrictive measures under the Movement Control Order during the current financial quarter under review.

The Group recorded an increase in profit before tax and profit after tax of RM0.60 million and RM0.51 million respectively for the current quarter ended 30 November 2020. The increase was mainly due to higher billings and improvement in gross profit margins contributed by the manufacturing segment.

**ECONFRAME BERHAD**  
(Registration No. 201901042935) (1352265-T))  
(Incorporated in Malaysia)

**B3 Prospects**

Despite the positive Covid-19 vaccine news, the recovery path to pre-pandemic levels is anticipated to be bumpier than expected and the Board views that year 2021 will continue to be a challenging year due to the current economic and political situation in Malaysia. The ongoing second Movement Control Order recently imposed by the Government of Malaysia is expected to have an impact on the economic recovery in the year 2021.

The Board will continue to take all proactive measures to ensure the existing business remains sustainable, resilient and will focus in delivering and completing all unfulfilled orders in hand within the agreed time frame.

**B4 Profit forecast / Profit guarantee**

The Group did not issue any profit forecast or profit guarantee in any public documents.

**B5 Taxation**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Unaudited 30 November 2020 RM'000</b>	<b>Unaudited <sup>(1)</sup> 30 November 2019 RM'000</b>	<b>Unaudited 30 November 2020 RM'000</b>	<b>Unaudited <sup>(1)</sup> 30 November 2019 RM'000</b>
Current tax charge	694	N/A	694	N/A
Deferred tax charge	5	N/A	5	N/A
<b>Total tax expense</b>	<b>699</b>	<b>N/A</b>	<b>699</b>	<b>N/A</b>
Effective tax rate <sup>(2)</sup>	29.9%	N/A	29.9%	N/A

**Notes:**

- 1) As this is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities, there are no available comparative figures for the preceding year's corresponding quarter.
- 2) The Group's effective tax rates for the individual quarter and cumulative quarter were higher than the statutory income tax rate mainly due to higher non-tax deductible expenses.
- 3) N/A denotes not applicable.

**ECONFRAME BERHAD**  
(Registration No. 201901042935) (1352265-T))  
(Incorporated in Malaysia)

**B6 Status of corporate proposals and utilisation of proceeds**

In conjunction with the IPO of the Company, the listing exercise was completed and the Company was listed on 27 October 2020.

The status of gross proceeds of RM18.20 million raised from the IPO are as follows:

	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilised RM'000</b>	<b>Unutilised Amount RM'000</b>	<b>Estimated timeframe for utilisation from Listing</b>
Land acquisition and construction of new manufacturing facility	5,000	-	5,000	Within 24 months
Automation of manufacturing process	4,000	-	4,000	Within 24 months
Working capital	6,200	(615)	5,585	Within 6 months
Estimated listing expenses	3,000	(3,000)	-	Within 1 month
	<u>18,200</u>	<u>(3,615)</u>	<u>14,585</u>	

**B7 Bank Borrowings**

The Group's borrowings were as follows:

	<b>Unaudited As at 30/11/2020 RM'000</b>	<b>Audited As at 31/08/2020 RM'000</b>
<b>Secured:</b>		
<b>Current Liabilities</b>		
Term loan	237	237
Lease liabilities	46	46
	<u>283</u>	<u>283</u>
<b>Non-Current Liabilities</b>		
Term loan	411	450
Lease liabilities	49	61
	<u>460</u>	<u>511</u>
Total Bank Borrowings	<u>743</u>	<u>794</u>

**B8 Material litigation**

The Group has no outstanding material litigation as at the date of this interim report.

**B9 Dividends**

The Directors have not recommended or declared any dividend for the current financial quarter ended 30 November 2020.

**ECONFRAME BERHAD**  
(Registration No. 201901042935) (1352265-T))  
(Incorporated in Malaysia)

**B10 Earnings per share**

The basic and diluted earnings per share for the current and cumulative quarter are calculated as follows:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Unaudited 30 November 2020</b>	<b>Unaudited <sup>(1)</sup> 30 November 2019</b>	<b>Unaudited 30 November 2020</b>	<b>Unaudited <sup>(1)</sup> 30 November 2019</b>
Profit attributable to owners of the Company (RM'000)	1,636	N/A	1,636	N/A
Weighted average number of ordinary shares in issue ('000)	284,286	N/A	284,286	N/A
Basic earnings per share (sen)	<u>0.58</u>	<u>N/A</u>	<u>0.58</u>	<u>N/A</u>
Diluted earnings per share (sen) <sup>(2)</sup>	<u>0.58</u>	<u>N/A</u>	<u>0.58</u>	<u>N/A</u>

**Notes:**

- (1) As this is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities, there are no available comparative figures for the preceding year's corresponding quarter.
- (2) Diluted earnings per share for the individual quarter and cumulative quarter ended 30 November 2020 are equivalent to the basic earnings per share for the individual quarter and cumulative quarter ended 30 November 2020 as the Company does not have any convertible securities as at the end of the reporting period.

**B11 Disclosure on selected expense/(income) items as required by the Listing Requirements**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>(Unaudited) 30 November 2020 RM'000</b>	<b>(Unaudited) <sup>(1)</sup> 30 November 2019 RM'000</b>	<b>(Unaudited) 30 November 2020 RM'000</b>	<b>(Unaudited) <sup>(1)</sup> 30 November 2019 RM'000</b>
Profit before tax is arrived at after charging/(crediting):				
Auditor's remuneration				
- current period	40	N/A	40	N/A
Depreciation	103	N/A	103	N/A
Interest expense	9	N/A	9	N/A
Interest income	(1)	N/A	(1)	N/A
Realised loss on foreign exchange	30	N/A	30	N/A
Rental expense	4	N/A	4	N/A

**Notes:**

- (1) As this is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities, there are no available comparative figures for the preceding year's corresponding quarter.
- (2) N/A denotes not applicable.

**ECONFRAME BERHAD**  
(Registration No. 201901042935) (1352265-T))  
(Incorporated in Malaysia)

**By Order of the Board**

**CHENG CHIA PING (MAICSA 1032514)**  
**Company Secretary**  
**Kuala Lumpur**  
**25 JANUARY 2021**