



# **ECOMATE HOLDINGS BERHAD**

(Registration No. 202001036445 (1392766-X))

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR  
ENDED 30 NOVEMBER 2022**

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 NOVEMBER 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>**

	Individual Quarter		Cumulative Quarter	
	Unaudited Current Year Quarter 30/11/2022 RM'000	Unaudited Preceding Year Corresponding Quarter 30/11/2021 RM'000	Unaudited Current Year To Date 30/11/2022 RM'000	Unaudited Preceding Year To Date 30/11/2021 RM'000
Revenue	13,172	15,675	39,789	40,924
Operating Expenses	(11,636)	(12,772)	(33,918)	(36,905)
Other Income	277	153	496	666
Finance Costs	(203)	(113)	(493)	(402)
Profit Before Tax	1,610	2,943	5,874	4,283
Taxation	(405)	(319)	(1,062)	(1,069)
Total comprehensive income	1,205	2,624	4,812	3,214
<b>Profit After Tax Attributable To:</b>				
Owners of the Company	1,205	2,624	4,812	3,214
<b>Total Comprehensive Income Attributable To:</b>				
Owners of the Company	1,205	2,624	4,812	3,214
<b>Attributable to Equity Holders of the Company:</b>				
Basic earnings per share (sen) <sup>(2)</sup>	0.34	0.75	1.37	0.92
Diluted earnings per share (sen) <sup>(3)</sup>	0.34	0.75	1.37	0.92

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the year ended 28 February 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic earnings per share is calculated based on the Company's weighted average number of ordinary shares as at 30 November 2022 (2022: 350,000,000 shares; 2021: 350,000,000 shares).
- (3) Diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the reporting period.

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 NOVEMBER 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION <sup>(1)</sup>**

	Note	Unaudited As at 30/11/2022 RM'000	Audited As at 28/02/2022 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		10,404	10,111
Prepaid lease payments		7,331	6,900
Right-of-use assets		3,310	3,223
		21,045	20,234
<b>Current Assets</b>			
Inventories		10,021	11,881
Trade receivables		7,291	5,583
Other receivables, deposits and prepayments		4,222	2,221
Current tax assets		160	330
Derivative assets		120	-
Fixed deposits with a licensed bank		8,208	3,160
Cash and bank balances		7,787	13,064
		37,809	36,239
<b>TOTAL ASSETS</b>		58,854	56,473
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		22,730	22,730
Merger reserve		(3,449)	(3,449)
Retained profits		16,467	13,405
<b>TOTAL EQUITY</b>		35,748	32,686
<b>Non-Current Liabilities</b>			
Bank borrowings	B8	6,836	7,051
Lease liabilities	B8	1,987	1,231
Deferred tax liabilities		1,010	1,160
		9,833	9,442
<b>Current Liabilities</b>			
Trade payables		3,321	5,437
Other payables and accruals		4,419	3,915
Bank borrowings	B8	4,797	3,960
Lease liabilities	B8	736	1,026
Derivative liabilities		-	7
		13,273	14,345
<b>TOTAL LIABILITIES</b>		23,106	23,787
<b>TOTAL EQUITY AND LIABILITIES</b>		58,854	56,473
NET ASSETS PER ORDINARY SHARE (RM) <sup>(2)</sup>		0.10	0.10

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the year ended 28 February 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the Company's weighted average number of 350,000,000 ordinary shares at the end of the reporting period (28 February 2022 : 316,169,863).

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 NOVEMBER 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY <sup>(1)</sup>**

<u>Group</u>	<u>Share capital</u>	<u>Non-distributable Re-organisation Reserve</u>	<u>Distributable Retained profits</u>	<u>Total Equity</u>
	RM'000	RM'000	RM'000	RM'000
<b>Unaudited</b>				
<b>As at 1 March 2022 (Audited)</b>	22,730	(3,449)	13,405	32,686
Profit after tax and total comprehensive income for the financial period	-	-	4,812	4,812
Contributions by and distributions to owners of the Group :-				
- Dividends	-	-	(1,750)	(1,750)
<b>As at 30 November 2022</b>	<b>22,730</b>	<b>(3,449)</b>	<b>16,467</b>	<b>35,748</b>

	<u>Share capital</u>	<u>Non-distributable Re-organisation Reserve</u>	<u>Distributable Retained profits</u>	<u>Total Equity</u>
	RM'000	RM'000	RM'000	RM'000
<b>Unaudited</b>				
<b>As at 1 March 2021 (Audited)</b>	3,926	-	8,063	11,989
Profit after tax and total comprehensive income for the financial period	-	-	3,214	3,214
Contributions by and distributions to owners of the Group :-				
- Issuance of shares	23,545	(7,375)	-	16,170
- Adjustment on the acquisition of subsidiary	(3,926)	3,926	-	-
- Listing expenses	(815)	-	-	(815)
Total transactions with owners	18,804	(3,449)	-	15,355
<b>As at 30 November 2021</b>	<b>22,730</b>	<b>(3,449)</b>	<b>11,277</b>	<b>30,558</b>

**Note:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the year ended 28 February 2022 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 NOVEMBER 2022****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS <sup>(1)</sup>**

	<b>Unaudited Current Year 9 Months Ended 30/11/2022 RM'000</b>	<b>Unaudited Preceding Corresponding 9 Months Ended 30/11/2021 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
<b>Profit before tax</b>	5,874	4,283
Adjustments for:		
Depreciation of property, plant and equipment	1,005	525
Depreciation of right-of-use assets	706	699
(Gain)/Loss on fair value derivative	(127)	65
Unrealised gain on foreign exchange	(137)	(53)
Interests on lease liabilities	103	112
Interest expenses	390	290
Interest income	(241)	(39)
Operating profit before working capital changes	7,573	5,882
<b>Changes in working capital</b>		
Inventories	1,860	(1,132)
Trade receivables	(1,708)	(2,711)
Other receivables, deposits and prepayments	(2,001)	(955)
Trade payables	(2,116)	598
Other payables and accruals	500	1,996
Amount due to directors	4	(48)
<b>Cash From Operations</b>	4,112	3,630
Interest paid	(493)	(402)
Interest received	241	39
Tax paid	(1,042)	(1,086)
<b>Net Cash From Operating Activities</b>	2,818	2,181
<b>Cash Flows For Investing Activities</b>		
Additions of prepaid lease payments	(431)	-
Purchase of property, plant and equipment	(806)	(2,505)
<b>Net Cash For Investing Activities</b>	(1,237)	(2,505)
<b>Carried Forward</b>	1,581	(324)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 NOVEMBER 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS <sup>(1)</sup>**

	<b>Unaudited Current Year 9 Months Ended 30/11/2022 RM'000</b>	<b>Unaudited Preceding Corresponding 9 Months Ended 30/11/2021 RM'000</b>
<b>Brought Forward</b>	1,581	(324)
<b>Cash Flows For Financing Activities</b>		
Proceeds from issuance of ordinary shares	-	16,170
Payment of share issue expenses	-	(815)
Net increase in fixed deposits pledged	(25)	(25)
Net movement in bankers' acceptances	617	(1,173)
Drawdown of term loans	431	-
Dividend paid	(1,750)	-
Net movement in lease liabilities	(819)	(1,778)
Repayment of term loans	(426)	(535)
<b>Net Cash Flows For Financing Activities</b>	<u>(1,972)</u>	<u>11,844</u>
<b>Net Changes In Cash and Cash Equivalents</b>	(391)	11,520
<b>Effect of exchange differences</b>	137	53
<b>Cash and Cash Equivalents at Beginning of the Financial Year</b>	15,064	7,322
<b>Cash and Cash Equivalents at End of the Financial Year</b>	<u><u>14,810</u></u>	<u><u>18,895</u></u>
<b>Cash and cash equivalents comprise the following:</b>		
Fixed deposits with licensed banks	8,208	3,116
Cash and bank balances	7,787	16,895
	<u>15,995</u>	<u>20,011</u>
Less : Fixed deposits pledged to a licensed bank	(1,185)	(1,116)
	<u><u>14,810</u></u>	<u><u>18,895</u></u>

**Note:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the year ended 28 February 2022 and the accompanying explanatory notes attached to this interim financial report.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIA FINANCIAL REPORTING STANDARDS  
("MFRS") 134: INTERIM FINANCIAL REPORTING**

**1. Basis of Preparation**

The interim financial statements of Ecomate Holdings Berhad ("**Ecomate**" or the "**Company**") and its subsidiary ("**Group**") are unaudited and have been prepared in accordance with Malaysia Financial Reporting Standards ("**MFRS**") 134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board ("**MASB**") and Chapter 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

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

**2. Significant Accounting Policies**

The significant accounting policies and presentation adopted for the interim financial statements are consistent with those adopted as disclosed in the Group's annual audited financial statements for the year ended 28 February 2022.

The Group has not applied in advance the following accounting standards and/or interpretation (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the financial year ended 28 February 2022:

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>		<b>Effective Date</b>
MFRS 17	: Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128	: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16	: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17	: Insurance Contracts	1 January 2023
Amendment to MFRS 17	: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101	: Classification of Liabilities as Current or Noncurrent	1 January 2024
Amendments to MFRS 101	: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101	: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 108	: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group.

**3. Auditors' Report on Preceding Annual Financial Statements**

There was no qualified report issued by the auditors in the financial statements of the Group for the financial year ended 28 February 2022.

**4. Seasonality or Cyclicity of Operations**

There were no material seasonal or cyclical factors affecting the business operations of the Group in the current quarter.

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 NOVEMBER 2022**

**5. Exceptional Items**

There were no material exceptional items during the current financial quarter under review.

**6. Material Changes in Estimates**

There were no material changes in estimates amount that had a material effect for the current financial period under review.

**7. Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities during the financial period under review.

**8. Dividend Paid**

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

**9. Segment Information**

The Group is principally engaged in manufacturing of furniture and furniture parts.

No products and services segment information is presented as the Group's revenue and profit or loss are mainly confined to a single operating segment, namely furniture manufacturing.

Segment assets is not presented, as all non-current assets are located in Malaysia.

Segment revenue is presented based on the geographical location of the customers.

	Individual Quarter		Cumulative Quarter	
	Unaudited	Unaudited	Unaudited	Unaudited
	30/11/2022	30/11/2021	30/11/2022	30/11/2021
	RM'000	RM'000	RM'000	RM'000
Malaysia	4,742	6,812	17,961	15,430
Asia (excluding Malaysia)	3,786	3,577	8,123	10,378
Australasia	3,437	2,496	6,280	4,900
Europe	878	1,277	3,944	4,388
North America	329	1,231	1,989	5,546
Africa	-	282	1,195	282
South America	-	-	297	-
Total	<u>13,172</u>	<u>15,675</u>	<u>39,789</u>	<u>40,924</u>

**10. Valuation of Property, Plant and Equipment**

There was no valuation of property, plant and equipment in the current financial quarter under review.

**11. Capital Commitments**

The material capital commitments of the Group as at 30 November 2022 are as follow:

Progress claim for purchase of leasehold industrial land	<b>RM'000</b> <u>1,294</u>
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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 NOVEMBER 2022**

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**12. Material Subsequent Event**

There were no material events subsequent to the end of the current financial period that have not been reflected in the interim financial reports for the said period as at the date of this report.

**13. Changes in the Composition of the Group**

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

**14. Contingent Liabilities**

As at the date of this report, the Group has contingent liabilities as follow:

Corporate guarantees for credit facilities granted to subsidiary (unsecured)	<b>RM'000</b> <u>13,192</u>
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**15. Recurrent Related Party Transactions**

	Individual Quarter		Cumulative Quarter	
	Unaudited 30/11/2022 RM'000	Unaudited 30/11/2021 RM'000	Unaudited 30/11/2022 RM'000	Unaudited 30/11/2021 RM'000
<b>Companies in which person(s) connected to director has substantial financial interests</b>				
Purchases	42	100	121	188
<b>Company in which a director has substantial financial interest</b>				
Fire protection maintenance expense	12	14	16	17

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 NOVEMBER 2022**

**B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**1. Review of Performance**

The Group's performance for the third quarter ended 30 November 2022 (Q3FY2023) compared with the previous corresponding third quarter ended 30 November 2021 (Q3FY2022) are tabled below:

Description	Q3FY2023 RM'000	Q3FY2022 RM'000	Variance %
Revenue	13,172	15,675	(15.97)
Profit before tax ("PBT")	1,610	2,943	(45.29)

The Group recorded a revenue of RM13.2 million for the Q3FY2023 decreased by 15.97% compared with the corresponding quarter in the previous year. The decrease was mainly due to lower revenue contribution from domestic market, Europe and North America.

For the current quarter Q3FY2023, the lower revenue contribution was due to decrease in sales volume resulted from deferment of shipments by customers and lower priced products were sold in the current quarter.

The Group's PBT for the Q3FY2023 decreased by 45.29% compared with Q3FY2022. The lower profit before tax was in line with the lower revenue for the current financial quarter.

**2. Comparison with Immediate Preceding Quarter's Results**

The Group's performance for the second quarter ended 30 November 2022 (Q3FY2023) are tabled below:

Description	Q3FY2023 RM'000	Q2FY2023 RM'000	Variance %
Revenue	13,172	13,092	0.61
Profit before tax ("PBT")	1,610	1,898	(15.17)

The Group's revenue for the current financial quarter ended 30 November 2022 increased by approximately RM0.08 million or 0.61% to approximately RM13.17 million compared to RM13.09 million in the preceding financial quarter ended 31 August 2022. The slight increase in revenue was mainly due to the higher revenue contributed from Asia (excluding Malaysia) and Australasia.

The Group's PBT for the current financial quarter ended 30 November 2022 decreased by approximately of RM0.28 million or 15.17% from RM1.90 million in the preceding financial quarter ended 31 August 2022 to RM1.61 million. The decrease in PBT was mainly due to realised loss on foreign exchange contract from the continued appreciation of US Dollar against Ringgit Malaysia.

The higher revenue and lower PBT for the current quarter under review as compared with the preceding quarter was mainly attributable from higher sales volume from customers mitigated by higher operating costs.

**3. Prospects and Outlook for the Current Financial Year**

The on-going conflict between Russia and Ukraine continued to caused disruptions to the current strained global supply chain. The prevailing economic and logistics issues like rising key commodities prices such as oil and disrupted supply chain and elevated inflation continues to pose challenges to the Group's business. This will inevitably put pressure on the Group's productions cost together with the increase in workers' wages.

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 NOVEMBER 2022**

**3. Prospects and Outlook for the Current Financial Year (cont'd)**

Nevertheless, the Group intends to focus on its core competency in enhancing the efficiency of the existing manufacturing activities and increase the manufacturing capacity to enable the Group to take on opportunities arising from future demand. The Group is confident that the future prospects will be favourable as the Group is targeted to commence the construction of Factory C by second quarter of year 2024. Currently, our total annual production capacity is 475,200 units, Factory C is expected to increase our annual capacity to reach a combined manufacturing capacity of approximately 712,800 units. The Group will continue to remain focused in our core business of design, manufacture and sale of home furniture products and continue to drive more research and development activities in enhancing our product to better suit the needs of our customers. The Group will continue with their business plans and strive to develop new products, new design in order to derive better cost efficiencies and effective cost management across all functions.

In addition, the new resurging of China's Covid cases together with the easing of China's border reopening and travel restrictions. However, it remains to be seen on the impact of the recent China's boarder reopening have to Malaysia. The Board will continue to monitor the impact of COVID-19 here in Malaysia and will regularly review the performance and progress of the Group's operations and financial performance as well as introduce measures to make necessary adjustment, if required.

Meanwhile, the management expect the impact of foreign currency fluctuation to be lessen in the coming quarters by better manage of its foreign currency exposure. The Group will be taking steps to maintain sufficient liquidity to enable it to meet its liabilities as and when they fall due. The Board is of the view that the Group's prospects for the financial year ending 28 February 2023 will continue to be profitable.

**4. Variance of Actual Profit from Forecast Profit**

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

**5. Tax Expense**

	Individual Quarter		Cumulative Quarter	
	Unaudited 30/11/2022 RM'000	Unaudited 30/11/2021 RM'000	Unaudited 30/11/2022 RM'000	Unaudited 30/11/2021 RM'000
Current tax expense	405	319	1,212	876
Deferred tax expense	-	-	(150)	193
	<u>405</u>	<u>319</u>	<u>1,062</u>	<u>1,069</u>

**6. Status of Corporate Proposals**

Save for the following corporate proposals, there were no corporate proposals announced but not completed as at date of this interim financial report.

On 12 August 2022, M&A Securities Sdn. Bhd. ("M&A Securities") on behalf of the Board of Directors of Ecomate Holdings Berhad had announced that the Company proposes to implement a special issue of up to 50,000,000 new ordinary shares, representing approximately 14.29% of the Company's existing issued share capital to Bumiputera investors to be identified and/or approved by Ministry of International Trade and Industry ("MITI") at an issued price to be determined later ("Proposed Special Issue").

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 NOVEMBER 2022**

**6. Status of Corporate Proposals (cont'd)**

On 15 August 2022, M&A Securities have submitted the additional listing application in relation to the Proposed Special Issue to Bursa Securities.

Subsequently on 11 October 2022, M&A Securities on behalf of the Board of Director of Ecomate has announced the additional information in relation to the Proposed Special Issue.

On 13 October 2022, M&A Securities on behalf of the Board of Directors had announced that Bursa Securities had approved the listing of and quotation for up to 50,000,000 Special Issue Shares, subject to conditions.

Pursuant to the Special Issue, a total of 8,025,834 ordinary shares has been listed on the ACE Market of Bursa Securities at the issue price of RM0.81 per ordinary share for a total gross proceed of approximately RM6.50 million on 23 December 2022.

MITI had vide their letter dated 22 December 2022 reverted that they have exhausted all avenues to allocate the remaining Special Issue shares and will not proceed to further allocate the remaining Special Issue shares. On 20 January 2023, SC had notified that Company is deemed to have complied with the Bumiputera equity condition. As such, the Special Issue is completed with the listing of 8,025,834 new ordinary shares in Ecomate on the ACE Market of Bursa Securities.

**7. Utilisation of Proceeds Raised from the IPO**

The gross proceeds from the IPO amounting to RM16.2 million is intended to be utilised in the following manner:

<b>Details of Use of Proceeds</b>	<b>Proposed Utilisation</b>	<b>Actual Utilisation</b>	<b>Re- allocation<sup>(2)</sup></b>	<b>Balance</b>	<b>Estimated Timeframe for Utilisation Upon Listing<sup>(1)</sup></b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
Machinery and equipment	6,000	(5,417)	(583)	-	Within 12 months
Factory and hostel construction	2,000	-	-	2,000	Within 24 months
Purchase of raw material	5,270	(5,270)	-	-	Within 6 months
Estimated listing expenses	2,900	(2,900)	-	-	Immediate
General working capital <sup>(3)</sup>	-	(583)	583	-	Within 12 months
	<b>16,170</b>	<b>(14,170)</b>	<b>-</b>	<b>2,000</b>	

**Note:**

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities on 8 November 2021.
- (2) Surplus of RM0.6 million (which the RM6 million allocated for the machinery and equipment) was re-allocated to the general working capital requirements of the Group, in accordance with the Company's prospectus dated 15 October 2021.
- (3) The amount re-allocated for the working capital purposes will be utilised for the day-to-day operations (e.g. purchase raw material).

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 NOVEMBER 2022**

**8. Group's Borrowings and Debt Securities**

	Unaudited As At 30/11/2022 RM'000	Audited As At 28/02/2022 RM'000
<b>Non-current</b>		
Lease liabilities	1,987	1,231
Term loans	6,836	7,051
	8,823	8,282
<b>Current</b>		
Bankers' acceptances	4,111	3,494
Lease liabilities	736	1,026
Term loans	686	466
	5,533	4,986
<b>Total borrowings</b>	<b>14,356</b>	<b>13,268</b>

**9. Financial Instruments - Derivatives**

The Group uses derivative financial instruments, mainly foreign currency option forward contracts to hedge its exposure to fluctuations in foreign exchange arising from sales. The Group does not hold or issue derivative financial instruments for trading purposes.

	(Unaudited) As at 30/11/2022		Audited As at 28/02/2022	
	Contract/ Notional Amount RM'000	Fair Value - (Gain) Amount RM'000	Contract/ Notional Amount RM'000	Fair Value - (Gain) Amount RM'000
Forward currency contracts				
Less than one year	3,183	(127)	4,435	(4)
	3,183	(127)	4,435	(4)

**10. Material Litigation**

There were no material litigation involving the Group as at 30 November 2022.

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 NOVEMBER 2022**

**11. Earnings Per Share**

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

		<b>Current Quarter 30/11/2022 RM'000</b>	<b>Current Year To Date 30/11/2022 RM'000</b>
Profit after tax attributable to owners of the Company	(RM)	1,205	4,812
Weighted average number of ordinary shares ('000)	(shares)	350,000	350,000
Basic earnings per share <sup>(1)</sup>	(sen)	0.34	1.37
Diluted earnings per share <sup>(2)</sup>	(sen)	0.34	1.37

**Notes:**

- (1) Basic earnings per share is calculated based on the Company's weighted average number of ordinary shares as at 30 November 2022.
- (2) The diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the reporting period.

**12. Notes to the Statement of Comprehensive Income:**

Profit before tax for the period has been arrived at after (crediting) / charging:

	<b>Unaudited Current Quarter 30/11/2022 RM'000</b>	<b>Unaudited Current Year To Date 30/11/2022 RM'000</b>
Depreciation		
- property, plant and equipment	346	1,005
- right-of-use assets	244	706
Short term leases	-	11
Interest expenses	203	493
Gain on fair value derivative	(216)	(127)
Interest income	(71)	(241)
Realised loss on foreign exchange	325	436
Unrealised gain on foreign exchange	(130)	(137)

**13. Proposed Dividends**

The Board of Directors has not recommended any dividend for the current financial quarter under review.

**BY ORDER OF THE BOARD**

**ECOMATE HOLDINGS BERHAD**

**31<sup>st</sup> January 2023**

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