



# **ECOMATE HOLDINGS BERHAD**

(Registration No. 202001036445 (1392766-X))

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1<sup>ST</sup>)  
QUARTER ENDED 31 MAY 2024**

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MAY 2024**

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

	Note	Individual Quarter		Cumulative Quarter	
		Unaudited Current Year Quarter 31/5/2024 RM'000	Unaudited Preceding Year Corresponding Quarter 31/5/2023 RM'000	Unaudited To Date 31/5/2024 RM'000	Unaudited Preceding Year To Date 31/5/2023 RM'000
Revenue		12,892	11,955	12,892	11,955
Operating Expenses		(12,343)	(10,335)	(12,343)	(10,335)
Other Income		194	173	194	173
Finance Costs		(197)	(152)	(197)	(152)
Profit Before Tax		546	1,641	546	1,641
Taxation		(231)	(634)	(231)	(634)
Total comprehensive income		315	1,007	315	1,007
<b>Profit After Tax Attributable To:</b>					
Owners of the Company		315	1,007	315	1,007
<b>Total Comprehensive Income Attributable To:</b>					
Owners of the Company		315	1,007	315	1,007
<b>Attributable to Equity Holders of the Company:</b>					
Basic/diluted earnings per share (sen)	B11	0.09	0.28	0.09	0.28

**Note:**

- (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 29 February 2024 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MAY 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION <sup>(1)</sup>**

Note	Unaudited As at 31/05/2024 RM'000	Audited As at 29/02/2024 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	12,628	12,992
Prepaid lease payments	8,193	8,193
Right-of-use assets	1,110	1,192
Other receivable	-	203
	21,931	22,580
<b>Current Assets</b>		
Inventories	14,854	12,457
Trade receivables	5,493	6,116
Other receivables, deposits and prepayments	2,374	4,950
Short-term investments	2,037	2,033
Current tax assets	376	376
Derivative assets	11	8
Fixed deposits with a licensed banks	13,587	13,490
Cash and bank balances	9,349	6,602
	48,081	46,032
<b>TOTAL ASSETS</b>	<b>70,012</b>	<b>68,612</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	29,097	29,097
Merger reserve	(3,449)	(3,449)
Retained profits	17,857	17,542
<b>TOTAL EQUITY</b>	43,505	43,190
<b>Non-Current Liabilities</b>		
Bank borrowings	6,957	7,426
Deferred income on government grant	800	820
Lease liabilities	493	601
Deferred tax liabilities	1,810	1,810
	10,060	10,657
<b>Current Liabilities</b>		
Trade payables	4,562	4,774
Other payables and accruals	3,125	1,784
Bank borrowings	8,105	7,580
Lease liabilities	655	627
	16,447	14,765
<b>TOTAL LIABILITIES</b>	26,507	25,422
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>70,012</b>	<b>68,612</b>
NET ASSETS PER ORDINARY SHARE (RM) <sup>(2)</sup>	0.12	0.12

**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 29 February 2024 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 358,025,834 ordinary shares at the end of the reporting period (29 February 2024 : 358,025,834).

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MAY 2024**

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

<u>Group</u>	<u>Share capital</u>	<u>Non-distributable</u>	<u>Distributable</u>	<u>Total Equity</u>
		Re-organisation Reserve	Retained profits	
	RM'000	RM'000	RM'000	RM'000
<b><u>Unaudited</u></b>				
<b>As at 1 March 2024 (Audited)</b>	29,097	(3,449)	17,542	43,190
Profit after tax and total comprehensive income for the financial period	-	-	315	315
<b>As at 31 May 2024</b>	29,097	(3,449)	17,857	43,505

	<u>Share capital</u>	<u>Non-distributable</u>	<u>Distributable</u>	<u>Total Equity</u>
		Re-organisation Reserve	Retained profits	
	RM'000	RM'000	RM'000	RM'000
<b><u>Unaudited</u></b>				
<b>As at 1 March 2023 (Audited)</b>	29,097	(3,449)	17,825	43,473
Profit after tax and total comprehensive income for the financial period	-	-	1,007	1,007
Contributions by and distributions to owners of the Group :-				
- Dividends	-	-	(1,790)	(1,790)
<b>As at 31 May 2023</b>	29,097	(3,449)	17,042	42,690

**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 29 February 2024 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MAY 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS <sup>(1)</sup>**

	Unaudited Current Year 3 Months Ended 31/05/2024 RM'000	Unaudited Preceding Corresponding 3 Months Ended 31/05/2023 RM'000
<b>Cash Flow From Operating Activities</b>		
<b>Profit before tax</b>	546	1,641
Adjustments for:		
Amortisation of deferred income on government grant	(20)	(20)
Depreciation of property, plant and equipment	371	355
Depreciation of right-of-use assets	176	211
Property, plant and equipment written off	1	-
Unrealised loss/(gain) on foreign exchange	7	(100)
Interest expenses on lease liabilities	13	17
Interest expenses	184	135
Fair value (gain)/loss on derivative	(3)	80
Interest income	(169)	(91)
	1,106	2,228
<b>Changes in working capital</b>		
Inventories	(2,397)	(1,349)
Trade receivables	623	(3,154)
Other receivables, deposits and prepayments	2,779	(263)
Trade payables	(212)	(236)
Other payables and accruals	1,341	1,852
	3,240	(922)
<b>Cash From/(For) Operations</b>		
Interest received	169	91
Tax paid	(231)	(334)
	3,178	(1,165)
<b>Net Cash From/(For) Operating Activities</b>		
<b>Cash Flows For Investing Activities</b>		
Purchase of property, plant and equipment	(8)	(6)
	(8)	(6)
<b>Net Cash For Investing Activities</b>		
	3,170	(1,171)
<b>Carried Forward</b>		

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MAY 2024

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

	Unaudited Current Year 3 Months Ended 31/05/2024 RM'000	Unaudited Preceding Corresponding 3 Months Ended 31/05/2023 RM'000
<b>Brought Forward</b>	3,170	(1,171)
<b>Cash Flows (For)/From Financing Activities</b>		
Net movement of bankers' acceptances	423	3,127
Interest paid	(197)	(152)
Repayment of hire purchase payables	(72)	(27)
Repayment of lease liabilities	(174)	(218)
Repayment of term loans	(295)	(161)
<b>Net Cash Flows (For)/From Financing Activities</b>	(315)	2,569
<b>Net Changes In Cash and Cash Equivalents</b>	2,855	1,398
<b>Effect of exchange differences</b>	(7)	100
<b>Cash and Cash Equivalents at Beginning of the Financial Year</b>	20,811	20,928
<b>Cash and Cash Equivalents at End of the Financial Year</b>	23,659	22,426
<b>Cash and cash equivalents comprise the following:</b>		
Short-term investments	2,037	-
Cash and bank balances	9,349	8,387
Fixed deposits with licensed banks	13,587	15,269
	24,973	23,656
Less : Fixed deposits pledged to a licensed bank	(1,314)	(1,230)
	23,659	22,426

**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 29 February 2024 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 audited financial statements for the financial year ended 29 February 2024 and 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 29 February 2024.

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 29 February 2024:

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>		<b>Effective Date</b>
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 101	: Classification of Liabilities as Current or Noncurrent	1 January 2024
Amendments to MFRS 101	: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	: Lack of Exchangeability	1 January 2025

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 29 February 2024.

**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.

**5. Exceptional Items**

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MAY 2024**

**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 31/05/2024 RM'000	Unaudited 31/05/2023 RM'000	Unaudited 31/05/2024 RM'000	Unaudited 31/05/2023 RM'000
Asia (excluding Malaysia)	6,181	4,472	6,181	4,472
Malaysia	3,130	5,260	3,130	5,260
Australasia	2,459	866	2,459	866
North America	523	244	523	244
Europe	457	573	457	573
Africa	142	540	142	540
Total	<u>12,892</u>	<u>11,955</u>	<u>12,892</u>	<u>11,955</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 31 May 2024 are as follow:

Progress claim for purchase of leasehold industrial land	<b>RM'000</b> 431
Purchase of leasehold industrial land	3,267
	<u>3,698</u>



**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MAY 2024**

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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**

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

**15. Recurrent Related Party Transactions**

	Individual Quarter		Cumulative Quarter	
	Unaudited 31/05/2024 RM'000	Unaudited 31/05/2023 RM'000	Unaudited 31/05/2024 RM'000	Unaudited 31/05/2023 RM'000
<b>Companies in which person(s) connected to director has substantial financial interests</b>				
Purchases	51	44	51	44
Upkeep of tools equipment	-	11	-	11
<b>Company in which a director has substantial financial interest</b>				
Fire protection maintenance expense	1	2	1	2

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MAY 2024**

**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 first quarter ended 31 May 2024 (Q1FY2025) compared with the previous corresponding first quarter ended 31 May 2023 (Q1FY2024) are tabled below:

Description	Q1FY2025 RM'000	Q1FY2024 RM'000	Variance %
Revenue	12,892	11,955	7.84
Profit before tax ("PBT")	546	1,641	(66.73)

The Group recorded a revenue of RM12.9 million for the Q1FY2025 increased by 7.84% compared with the corresponding quarter in the previous year. The increase was mainly due to the increased demand from Asia (excluding Malaysia) and Australasia.

The Group's PBT for the Q1FY2025 decreased by 66.73% compared with Q1FY2024. The decrease in profit before tax was mainly attributable higher operating costs and increase in exhibition related cost during the current financial quarter.

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

The Group's performance for the first quarter ended 31 May 2024 (Q1FY2025) compared to the fourth quarter ended 29 February 2024 (Q4FY2024) are tabled below:

Description	Q1FY2025 RM'000	Q4FY2024 RM'000	Variance %
Revenue	12,892	12,924	(0.25)
Profit before tax ("PBT")	546	503	8.55

The Group's revenue for the current financial quarter ended 29 February 2024 slightly decrease by approximately RM32,000 or 0.25% compared to preceding financial quarter ended 29 February 2024.

The Group's PBT for the current financial quarter ended 31 May 2024 increased by approximately of RM43,000 or 8.55% from RM 0.5 million to RM 0.55 million if compare to the preceding financial quarter ended 29 February 2024.

The lower revenue and higher PBT for the current quarter under review as compared with the preceding quarter was mainly attributable from decrease in unrealised loss on foreign exchange despite lower revenue generated.

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

The Global economy continues to pose challenges to the Group's business and the uncertainties caused by war in the Middle East and also between Russia and Ukraine.

In view of the above, the Board will regularly review the performance and progress of the Group's operations and financial performance as well as to introduce various business strategies to increase revenue in order to minimise our operating costs and continue to explore new market opportunities. The strengthening of USD against RM is expected to benefit the Group as majority of the Group's revenue are denominated in USD.

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MAY 2024**

**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 end 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.

The Board is of the view that the Group expects the financial performance to be satisfactory for the financial year ending 28 February 2025.

**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 31/05/2024 RM'000	Unaudited 31/05/2023 RM'000	Unaudited 31/05/2024 RM'000	Unaudited 31/05/2023 RM'000
Current tax expense	231	334	231	334
Deferred tax expense	-	300	-	300
	<u>231</u>	<u>634</u>	<u>231</u>	<u>634</u>

**6. Status of Corporate Proposals**

On 10 January 2024, the Company had announced that the wholly-owned subsidiary of the Company, Ecomate Sdn Bhd, had entered into a Sale and Purchase Agreement with Success Style Sdn Bhd for the acquisition of 1 plot of vacant land distinguished as PLO No. 67 located within an industrial park known as Muar Furniture Park held under Master Title known as H.S. (D) 38459, PTD 13399, H.S. (D) 38460, PTD 13400, Geran 50191, Lot 8531 all situated in Mukim Jalan Bakri, District of Muar, Johor Darul Takzim in respect of which Title have yet to be issued at a total cash purchase consideration of Ringgit Malaysia Three Million Six Hundred Thirty Thousand only (RM3,630,000.00). As the date of this report, the proposed acquisition has not yet been completed and is expected to be completed by the second quarter of year 2024.

Save as disclosed above, there is no other corporate proposal announced but not implemented as at the date of this report.

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MAY 2024**

**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:

Details of Use of Proceeds	Proposed	Actual	Re-	Balance	Intended	Revised
	Utilisation	Utilisation	allocation <sup>(2)</sup>		Timeframe for	Timeframe for
	RM'000	RM'000	RM'000	RM'000	Utilisation Upon Listing <sup>(1)</sup>	Utilisation Upon Listing <sup>(4)</sup>
Machinery and equipment	6,000	(5,417)	(583)	-	Within 12 months	-
Factory and hostel construction	2,000	(132)	-	1,868	Within 24 months	Within 36 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>(14,302)</b>	<b>-</b>	<b>1,868</b>		

**Notes:**

- (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).
- (4) The extension of time is mainly due to the construction of our new factory and hostel is delayed, as Ecomate is currently awaiting for the local authority's approval after resubmission of the plans.

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

	Unaudited As At 31/05/2024 RM'000	Unaudited As At 31/05/2023 RM'000
<b>Non-current</b>		
Hire purchase payables	1,049	92
Term loans	5,908	7,402
	<u>6,957</u>	<u>7,494</u>
<b>Current</b>		
Bankers' acceptances	6,790	5,779
Hire purchase payables	115	280
Term loans	1,200	661
	<u>8,105</u>	<u>6,720</u>
<b>Total borrowings</b>	<b><u>15,062</u></b>	<b><u>14,214</u></b>

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MAY 2024**

**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 31/05/2024		Unaudited As at 31/05/2023	
	Contract/ Notional Amount RM'000	Fair Value - (Gain) Amount RM'000	Contract/ Notional Amount RM'000	Fair Value - Loss Amount RM'000
Forward currency contracts				
Less than one year	1,327	(11)	10,232	225

**10. Material Litigation**

There were no material litigation involving the Group as at 31 May 2024.

**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:

		Unaudited Current Quarter 31/05/2024 RM'000	Unaudited Current Year To Date 31/05/2024 RM'000
Profit after tax attributable to owners of the Company	(RM)	315	315
Weighted average number of ordinary shares ('000)	(shares)	358,026	358,026
Basic earnings per share <sup>(1)</sup>	(sen)	0.09	0.09
Diluted earnings per share <sup>(2)</sup>	(sen)	0.09	0.09

**Notes:**

- (1) Basic earnings per share is calculated based on the Company's weighted average number of ordinary shares as at 31 May 2024.
- (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.

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MAY 2024**

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**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 31/05/2024 RM'000</b>	<b>Unaudited Current Year To Date 31/05/2024 RM'000</b>
Depreciation		
- property, plant and equipment	371	371
- right-of-use assets	176	176
Property, plant and equipment written off	1	1
Short term leases	2	2
Interest expenses	197	197
Unrealised loss on foreign exchange	7	7
Realised loss on foreign exchange	17	17
Amortisation of deferred income on government grant	(20)	(20)
Fair value gain on derivative	(3)	(3)
Interest income	(169)	(169)
	<u>                    </u>	<u>                    </u>

**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**

**29<sup>th</sup> July 2024**

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