



ECOMATE HOLDINGS BERHAD

(Registration No. 202001036445 (1392766-X))

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND (2nd)
QUARTER ENDED 31ST AUGUST 2024**

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 AUGUST 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

| | Note | Individual Quarter | | Cumulative Quarter | |
|---|------|---|--|---|---|
| | | Unaudited Current Year Quarter 31/8/2024 RM'000 | Unaudited Preceding Year Corresponding Quarter 31/8/2023 RM'000 | Unaudited To Date 31/8/2024 RM'000 | Unaudited Preceding Year To Date 31/8/2023 RM'000 |
| Revenue | | 14,383 | 10,020 | 27,275 | 21,975 |
| Operating Expenses | | (13,379) | (9,538) | (25,722) | (19,873) |
| Other Income | | 144 | 202 | 338 | 375 |
| Finance Costs | | (205) | (194) | (401) | (346) |
| Profit Before Tax | | 943 | 490 | 1,490 | 2,131 |
| Taxation | | (371) | (400) | (602) | (1,034) |
| Total comprehensive income | | 572 | 90 | 888 | 1,097 |
| Profit After Tax Attributable To: | | | | | |
| Owners of the Company | | 572 | 90 | 888 | 1,097 |
| Total Comprehensive Income Attributable To: | | | | | |
| Owners of the Company | | 572 | 90 | 888 | 1,097 |
| Attributable to Equity Holders of the Company: | | | | | |
| Basic/diluted earnings per share (sen) | B11 | 0.16 | 0.03 | 0.25 | 0.31 |

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 SECOND QUARTER ENDED 31 AUGUST 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

| Note | Unaudited As at 31/08/2024 RM'000 | Audited As at 29/02/2024 RM'000 |
|---|--|--|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 12,340 | 12,992 |
| Prepaid lease payments | 8,193 | 8,193 |
| Right-of-use assets | 1,346 | 1,192 |
| Other receivable | - | 203 |
| | 21,879 | 22,580 |
| Current Assets | | |
| Inventories | 13,597 | 12,457 |
| Trade receivables | 6,475 | 6,116 |
| Other receivables, deposits and prepayments | 2,639 | 4,950 |
| Short-term investments | 3,541 | 2,033 |
| Current tax assets | - | 376 |
| Derivative assets | - | 8 |
| Fixed deposits with a licensed banks | 13,300 | 13,490 |
| Cash and bank balances | 7,642 | 6,602 |
| | 47,194 | 46,032 |
| TOTAL ASSETS | 69,073 | 68,612 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 29,097 | 29,097 |
| Merger reserve | (3,449) | (3,449) |
| Retained profits | 18,430 | 17,542 |
| TOTAL EQUITY | 44,078 | 43,190 |
| Non-Current Liabilities | | |
| Bank borrowings | 6,624 | 7,426 |
| Deferred income on government grant | 780 | 820 |
| Lease liabilities | 568 | 601 |
| Deferred tax liabilities | 1,790 | 1,810 |
| | 9,762 | 10,657 |
| Current Liabilities | | |
| Trade payables | 857 | 4,774 |
| Other payables and accruals | 2,777 | 1,784 |
| Bank borrowings | 10,611 | 7,580 |
| Lease liabilities | 814 | 627 |
| Current tax liabilities | 174 | - |
| | 15,233 | 14,765 |
| TOTAL LIABILITIES | 24,995 | 25,422 |
| TOTAL EQUITY AND LIABILITIES | 69,073 | 68,612 |
| NET ASSETS PER ORDINARY SHARE (RM) ⁽²⁾ | 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 SECOND QUARTER ENDED 31 AUGUST 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

| <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 |
| <u>Unaudited</u> | | | | |
| As at 1 March 2024 (Audited) | 29,097 | (3,449) | 17,542 | 43,190 |
| Profit after tax and total comprehensive income for the financial period | - | - | 888 | 888 |
| As at 31 August 2024 | 29,097 | (3,449) | 18,430 | 44,078 |

| | <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 |
| <u>Unaudited</u> | | | | |
| As at 1 March 2023 (Audited) | 29,097 | (3,449) | 17,825 | 43,473 |
| Profit after tax and total comprehensive income for the financial period | - | - | 1,097 | 1,097 |
| Contributions by and distributions to owners of the Group :- | | | | |
| - Dividends | - | - | (1,790) | (1,790) |
| As at 31 August 2023 | 29,097 | (3,449) | 17,132 | 42,780 |

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 CONDENSE CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

| | Unaudited Current Year 6 Months Ended 31/08/2024 RM'000 | Unaudited Preceding Corresponding 6 Months Ended 31/08/2023 RM'000 |
|---|---|---|
| Cash Flow From Operating Activities | | |
| Profit before tax | 1,490 | 2,131 |
| Adjustments for: | | |
| Amortisation of deferred income on government grant | (40) | (40) |
| Depreciation of property, plant and equipment | 731 | 736 |
| Depreciation of right-of-use assets | 378 | 403 |
| Property, plant and equipment written off | 1 | - |
| Unrealised loss/(gain) on foreign exchange | 310 | (69) |
| Interest on hire purchase payables | - | 12 |
| Interest expenses on lease liabilities | 27 | 33 |
| Interest expenses | 374 | 301 |
| Fair value loss/(gain) on derivative | 8 | (81) |
| Listing expenses | - | 639 |
| Interest income | (277) | (235) |
| Operating profit before working capital changes | 3,002 | 3,830 |
| Changes in working capital | | |
| Inventories | (1,140) | (4,373) |
| Trade receivables | (359) | (1,159) |
| Other receivables, deposits and prepayments | 2,514 | 769 |
| Trade payables | (3,917) | (1,663) |
| Other payables and accruals | 993 | 1,172 |
| Cash From/(For) Operations | 1,093 | (1,424) |
| Interest received | 277 | 235 |
| Tax paid | (457) | - |
| Tax refund | 385 | (530) |
| Net Cash From/(For) Operating Activities | 1,298 | (1,719) |
| Carried Forward | 1,298 | (1,719) |

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 AUGUST 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

| | Unaudited Current Year 6 Months Ended 31/8/2024 RM'000 | Unaudited Preceding Corresponding 6 Months Ended 31/08/2023 RM'000 |
|---|---|---|
| Brought Forward | 1,298 | (1,719) |
| Cash Flows For Investing Activities | | |
| Additions of hire purchase payables | - | 161 |
| Purchase of property, plant and equipment | (80) | (480) |
| Net Cash For Investing Activities | <u>(80)</u> | <u>(319)</u> |
| Cash Flows From Financing Activities | | |
| Net increase in fixed deposits pledged | (2) | (26) |
| Net movement of bankers' acceptances | 2,921 | 5,912 |
| Interest paid | (401) | (346) |
| Dividend paid | - | (1,790) |
| Net movement in lease liabilities | (378) | (307) |
| Payment of listing expenses | - | (639) |
| Repayment of hire purchase payables | (100) | (175) |
| Repayment of term loans | (592) | (323) |
| Net Cash Flows From Financing Activities | <u>1,448</u> | <u>2,306</u> |
| Net Changes In Cash and Cash Equivalents | 2,666 | 268 |
| Effect of exchange differences | (310) | 69 |
| Cash and Cash Equivalents at Beginning of the Financial Year | <u>20,811</u> | <u>20,928</u> |
| Cash and Cash Equivalents at End of the Financial Year | <u><u>23,167</u></u> | <u><u>21,265</u></u> |
| Cash and cash equivalents comprise the following: | | |
| Short-term investments | 3,541 | 2,002 |
| Cash and bank balances | 13,300 | 6,230 |
| Fixed deposits with licensed banks | 7,642 | 14,289 |
| | <u>24,483</u> | <u>22,521</u> |
| Less : Fixed deposits pledged to a licensed bank | (1,316) | (1,256) |
| | <u><u>23,167</u></u> | <u><u>21,265</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 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:

MFRSs and/or IC Interpretations

(Including The Consequential Amendments)

Effective Date

| | | |
|------------------------------------|---|----------------|
| 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 SECOND QUARTER ENDED 31 AUGUST 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 31/08/2024 RM'000 | Unaudited 31/08/2023 RM'000 | Unaudited 31/08/2024 RM'000 | Unaudited 31/08/2023 RM'000 |
| Asia (excluding Malaysia) | 4,886 | 3,205 | 11,067 | 7,677 |
| Malaysia | 4,575 | 3,371 | 7,705 | 8,631 |
| Australasia | 1,653 | 995 | 4,112 | 1,861 |
| North America | 2,233 | 984 | 2,756 | 1,228 |
| Africa | 785 | 658 | 927 | 1,198 |
| Europe | 251 | 807 | 708 | 1,380 |
| Total | <u>14,383</u> | <u>10,020</u> | <u>27,275</u> | <u>21,975</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 August 2024 are as follow:

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

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 AUGUST 2024

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 31/08/2024 RM'000 | Unaudited 31/08/2023 RM'000 | Unaudited 31/08/2024 RM'000 | Unaudited 31/08/2023 RM'000 |
| Companies in which person(s) connected to director has substantial financial interests | | | | |
| Purchases | 42 | 44 | 93 | 44 |
| Upkeep of tools equipment | 7 | 11 | 7 | 11 |
| Company in which a director has substantial financial interest | | | | |
| Fire protection maintenance expense | 1 | 2 | 2 | 2 |

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 AUGUST 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 second quarter ended 31 August 2024 (Q2FY2025) compared with the previous corresponding second quarter ended 31 August 2023 (Q2FY2024) are tabled below:

| Description | Q2FY2025 RM'000 | Q2FY2024 RM'000 | Variance % |
|---------------------------|--------------------|--------------------|---------------|
| Revenue | 14,383 | 10,020 | 43.54 |
| Profit before tax ("PBT") | 943 | 490 | 92.45 |

The Group recorded a revenue of RM14.38 million for the Q2Y2025 increased by 43.54% compared with the corresponding quarter in the previous year. The increase was mainly due to the increased overall demand from Asia (excluding Malaysia), Australasia and North America.

The Group's PBT for the Q2FY2025 increased by 92.45% compared with Q2FY2024. The increase in profit before tax was mainly due to Group had incurred one off listing expenses of approximate RM0.64 million for the previous corresponding second quarter.

2. Comparison with Immediate Preceding Quarter's Results

The Group's performance for the second quarter ended 31 August 2024 (Q2FY2025) compared to the first quarter ended 31 May 2024 (Q1FY2025) are tabled below:

| Description | Q2FY2025 RM'000 | Q1FY2025 RM'000 | Variance % |
|---------------------------|--------------------|--------------------|---------------|
| Revenue | 14,383 | 12,892 | 11.57 |
| Profit before tax ("PBT") | 943 | 546 | 72.71 |

The Group's revenue for the current financial quarter ended 31 August 2024 increased by approximately RM1.49 million or 11.57% compared to preceding financial quarter ended 31 May 2024.

The Group's PBT for the current financial quarter ended 31 August 2024 increased by approximately of RM0.39 million or 72.71% from RM 0.55 million to RM 0.94 million if compare to the preceding financial quarter ended 31 May 2024.

The higher revenue and higher PBT for the current quarter under review as compared with the preceding quarter was mainly attributable from an increase demand from customer from North America and Malaysia as well as increase in sales volume on bedroom range furniture.

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.

After the recent interest rate cuts in the United States back in September, it's signaling that further rate cuts are expected in coming months. This would probably lead to a further weakening of U.S Dollar against RM which may exert pressure on the Group's margin as majority of the Group's revenue are denominated in USD. On the contrary, the interest rate cuts may not be necessary all bad, as it can lead to a recovery demand on furniture products as consumers regaining confidence and improved financial capability to invest in home furnishings.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 AUGUST 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 first quarter of year 2025. 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 | Unaudited | Unaudited | Unaudited |
| | 31/08/2024 | 31/08/2023 | 31/08/2024 | 31/08/2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax expense | 391 | 300 | 622 | 634 |
| Deferred tax expense | (20) | 100 | (20) | 400 |
| | <u>371</u> | <u>400</u> | <u>602</u> | <u>1,034</u> |

6. Status of Corporate Proposals

- a) 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). The proposed acquisition was completed on 3 September 2024.
- b) On 9 October 2024, the Company had announced that the wholly-owned subsidiary of the Company, Ecomate Sdn Bhd, had entered into the following agreements with U.D. Panelform Sdn Bhd for the acquisition of the following assets at a total consideration of RM8,850,000 only in accordance with the terms and conditions as stipulated in the Agreements:
 - i) a Sale and Purchase Agreement for the acquisition of a unit of single storey factory building together with two (2) guard houses, a pump house, a prayer room and a TNB sub-station erected thereon of a leasehold industrial land (99 years lease expiring on 29 December 2094) held under PN 9624, Lot No 8800, Mukim Jalan Bakri, District of Muar, State of Johor, measuring approximately 8,217 square meters in area, bearing postal address at No. 27, Jalan Perindustrian 5, Kawasan Perindustrian Bukit Bakri, 84200 Muar, Johor for a purchase consideration of RM7,000,000.00 only; and

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 AUGUST 2024**6. Status of Corporate Proposals (cont'd)**

- ii) a Sale of Plant and Machinery Agreement for the acquisition of all the plant and machinery inclusive but not limited to forklifts, saw machines, drilling machines, laminating machines, sanding machines and other related machinery and components situated on the Property ("Plant and Machinery") for a purchase consideration of RM1,850,000.00 only ("Purchase Price of the Plant and Machinery") ("the Plant and Machinery Acquisition" or "SPMA").

As the date of this report, the proposed acquisition has not yet been completed and is expected to be completed by the first quarter of year 2025.

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

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 ⁽²⁾ | | Timeframe for | Timeframe for |
| | RM'000 | RM'000 | RM'000 | RM'000 | Utilisation Upon Listing ⁽¹⁾ | Utilisation Upon Listing ⁽⁴⁾ |
| Machinery and equipment | 6,000 | (5,417) | (583) | - | Within 12 months | - |
| Factory and hostel construction | 2,000 | (463) | - | 1,537 | 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 ⁽³⁾ | - | (583) | 583 | - | Within 12 months | - |
| | 16,170 | (14,633) | - | 1,537 | | |

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.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 AUGUST 2024

8. Group's Borrowings and Debt Securities

| | Unaudited As At 31/08/2024 RM'000 | Unaudited As At 31/08/2023 RM'000 |
|-------------------------|--|--|
| Non-current | | |
| Hire purchase payables | 1,021 | 208 |
| Term loans | 5,603 | 7,233 |
| | <u>6,624</u> | <u>7,441</u> |
| Current | | |
| Bankers' acceptances | 9,288 | 8,564 |
| Hire purchase payables | 115 | 243 |
| Term loans | 1,208 | 668 |
| | <u>10,611</u> | <u>9,475</u> |
| Total borrowings | <u>17,235</u> | <u>16,916</u> |

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 31/08/2024 | | Unaudited As at 31/08/2023 | |
|----------------------------|---|--|---|--|
| | 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 | - | - | 5,258 | 64 |
| | <u>-</u> | <u>-</u> | <u>5,258</u> | <u>64</u> |

10. Material Litigation

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

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 AUGUST 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 31/08/2024 RM'000 | Unaudited Current Year To Date 31/08/2024 RM'000 |
|--|----------|--|---|
| Profit after tax attributable to owners of the Company | (RM) | 572 | 888 |
| Weighted average number of ordinary shares ('000) | (shares) | 358,026 | 358,026 |
| Basic earnings per share ⁽¹⁾ | (sen) | 0.16 | 0.25 |
| Diluted earnings per share ⁽²⁾ | (sen) | 0.16 | 0.25 |

Notes:

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

12. Notes to the Statement of Comprehensive Income:

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

| | Unaudited Current Quarter 31/08/2024 RM'000 | Unaudited Current Year To Date 31/08/2024 RM'000 |
|---|--|---|
| Depreciation | | |
| - property, plant and equipment | 360 | 731 |
| - right-of-use assets | 202 | 378 |
| Property, plant and equipment written off | - | 1 |
| Short term leases | 6 | 8 |
| Interest expenses | 204 | 401 |
| Unrealised loss on foreign exchange | 303 | 310 |
| Fair value loss on derivative | 11 | 8 |
| Realised gain on foreign exchange | (26) | (9) |
| Amortisation of deferred income on government grant | (20) | (40) |
| Interest income | (108) | (277) |
| | <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

28th October 2024

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