



## **ECOSCIENCE INTERNATIONAL BERHAD**

Registration No. 202001024633 (1380953-M)  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023 <sup>(1)</sup>**

	Individual Quarter		Cumulative Quarter	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Current Year Quarter 30.9.2023 RM'000	Preceding Year Quarter 30.9.2022 RM'000	Current Year-To-Date 30.9.2023 RM'000	Preceding Year-To-Date 30.9.2022 RM'000
Revenue	46,707	37,201	121,969	89,976
Cost of sales	(45,945)	(32,650)	(113,313)	(75,440)
<b>Gross profit</b>	762	4,551	8,656	14,536
Other income	411	124	694	262
Administrative expenses	(3,763)	(3,952)	(10,431)	(9,845)
Other operating (expenses)/income	(267)	3	1,189	(39)
Net of impairment on trade receivables	480	(480)	582	(480)
Finance costs	(1,044)	(885)	(3,351)	(1,999)
<b>(Loss)/Profit before tax</b>	(3,421)	(639)	(2,661)	2,435
Income tax income/(expense)	305	(178)	(252)	(1,421)
<b>(Loss)/Profit after tax ("LAT")/("PAT")</b>	(3,116)	(817)	(2,913)	1,014
Other comprehensive (expense)/income <sup>(2)</sup>	(220)	(187)	720	(672)
<b>Total comprehensive (expenses)/income</b>	(3,336)	(1,004)	(2,193)	342
<b>(LAT)/PAT attributable to:</b>				
- Owners of the Company	(3,116)	(817)	(2,913)	1,014
	(3,116)	(817)	(2,913)	1,014
<b>Total comprehensive (expenses)/income attributable to:</b>				
- Owners of the Company	(3,336)	(1,004)	(2,193)	342
	(3,336)	(1,004)	(2,193)	342
<b>Attributable to equity holders of the company <sup>(3)</sup>:</b>				
- Basic (loss)/earnings per share (sen)	(0.92)	(0.25)	(0.86)	0.36
- Diluted (loss)/earnings per share (sen)	(0.92)	(0.25)	(0.86)	0.36

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

---

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit and 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 December 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Being the foreign currency translation differences which will be reclassified subsequently to the profit or loss.
- (3) Earnings per share is calculated based on the (LAT)/PAT attributable to owners of the Company for the financial period divided by the Company's weighted average number of ordinary shares in issue referred to in Note B11.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023 <sup>(1)</sup>**

	(Unaudited) As at 30.9.2023 RM'000	(Audited) As at 31.12.2022 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	24,845	25,282
Other investments	3,897	2,037
	28,742	27,319
<b>Current assets</b>		
Inventories	13,610	18,170
Trade receivables	43,030	22,694
Other receivables, deposits and prepayments	17,108	12,451
Contract assets	42,748	57,679
Current tax assets	5,888	5,164
Short-term investment	3,185	5,916
Fixed deposits with licensed banks	22,811	17,195
Cash and bank balances	3,057	6,420
	151,437	145,689
<b>TOTAL ASSETS</b>	180,179	173,008
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	74,991	74,991
Foreign exchange translation reserve	258	(462)
Merger deficit	(45,209)	(45,209)
Retained profits	40,754	43,667
<b>TOTAL EQUITY</b>	70,794	72,987
<b>Non-current liabilities</b>		
Term loans	8,578	8,143
Hire purchase payables	604	969
Deferred tax liabilities	745	638
	9,927	9,750
<b>Current liabilities</b>		
Trade payables	30,552	29,682
Other payables and accruals	7,084	5,553
Provisions	810	810
Contract liabilities	2,798	8,616
Bank overdrafts	12,898	13,192
Hire purchase payables	345	491
Term loans	1,534	1,104
Short-term borrowings	42,406	30,816
Current tax liabilities	1,031	7
	99,458	90,271
<b>TOTAL LIABILITIES</b>	109,385	100,021
<b>TOTAL EQUITY AND LIABILITIES</b>	180,179	173,008
Number of ordinary shares ('000)	<b>340,000</b>	<b>340,000</b>
Net assets per ordinary share (RM) <sup>(2)</sup>	0.21	0.21

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

---

**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 Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on net assets divided by the Company's issued share capital as at 30 September 2023 of 340,000,000 shares (31 December 2022: 340,000,000 shares).

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023 <sup>(1)</sup>**

<u>Unaudited</u>	Share Capital RM'000	Non-Distributable Foreign Exchange Translation Reserve RM'000	Merger Deficit RM'000	<u>Distributable</u>	
				Retained Profits RM'000	Total Equity RM'000
As at 1 January 2022	51,566	(45,209)	(249)	53,057	59,165
Profit after tax for the financial period	-	-	-	1,014	1,014
Other comprehensive expenses for the financial period	-	-	(672)	-	(672)
Total comprehensive income for the financial period	-	-	(672)	1,014	342
Proceed from issue of new shares	24,651	-	-	-	24,651
Share issue expenses	(1,226)	-	-	-	(1,226)
<b>Balance as at 30 September 2022</b>	<b>74,991</b>	<b>(45,209)</b>	<b>(921)</b>	<b>54,071</b>	<b>82,932</b>

<u>Unaudited</u>	Share Capital RM'000	Non-Distributable Foreign Exchange Translation Reserve RM'000	Merger Deficit RM'000	<u>Distributable</u>	
				Retained Profits RM'000	Total Equity RM'000
As at 1 January 2023	74,991	(45,209)	(462)	43,667	72,987
Loss after tax for the financial period	-	-	-	(2,913)	(2,913)
Other comprehensive income for the financial period	-	-	720	-	720
Total comprehensive income/(expenses) for the financial period	-	-	720	(2,913)	(2,193)
<b>Balance as at 30 September 2023</b>	<b>74,991</b>	<b>(45,209)</b>	<b>258</b>	<b>40,754</b>	<b>70,794</b>

**Note:**

- (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 Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

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

	(Unaudited) Current Year-To-Date 30.9.2023 RM'000	(Unaudited) Preceding Corresponding Year-To-Date 30.9.2022 RM'000
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(2,661)	2,435
Adjustments for:		
Depreciation of property, plant and equipment	1,054	792
Net of impairment on trade receivables	(582)	480
Fair value gain on short term investment	(118)	-
Gain on disposal of property, plant and equipment	(251)	-
Interest expenses	2,229	1,622
Interest income	(190)	(61)
Operating (loss)/profit before working capital changes	(519)	5,268
Decrease/(Increase) in inventories	4,560	(168)
Increase in trade and other receivables	(24,411)	(19,372)
Decrease/(Increase) in contract assets	14,931	(14,301)
Increase/(Decrease) in trade and other payables	2,765	(603)
(Decrease)/Increase in contract liabilities	(6,182)	2,204
<b>CASH FLOWS FOR OPERATIONS</b>	(8,856)	(26,972)
Tax paid	(275)	(2,136)
Tax refunded	447	12
<b>NET CASH FLOWS FOR OPERATING ACTIVITIES</b>	(8,684)	(29,096)
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	190	61
Purchase of property, plant and equipment	(467)	(309)
Purchase of other investment	(1,860)	-
Decrease/(increase) in short-term investment	2,849	(6,000)
Placement of fixed deposits pledged with licensed banks	(5,616)	(2,756)
Proceed from disposal of property, plant and equipment	315	-
<b>NET CASH FLOWS FOR INVESTING ACTIVITIES</b>	(4,589)	(9,004)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceed from issuance of new shares	-	23,425
Drawdown of short-term borrowings	89,234	65,503
Drawdown of term loans	1,812	673
Interest paid	(2,277)	(1,622)
Repayment of short-term borrowings	(77,644)	(53,745)
Repayment of term loans	(977)	(1,030)
Repayment of hire purchase obligation	(511)	(347)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	9,637	32,857

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

---

	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>Current</b>	<b>Preceding</b>
	<b>Year-To-Date</b>	<b>Corresponding</b>
	<b>30.9.2023</b>	<b>Year-To-Date</b>
	<b>RM'000</b>	<b>30.9.2022</b>
		<b>RM'000</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(3,636)	(5,243)
EFFECT OF FOREIGN EXCHANGE TRANSLATION RESERVE	567	(414)
<b>CASH AND CASH EQUIVALENTS</b>		
AT BEGINNING OF THE FINANCIAL PERIOD	(6,772)	(5,251)
<b>CASH AND CASH EQUIVALENTS</b>		
AT END OF THE FINANCIAL PERIOD	<u>(9,841)</u>	<u>(10,908)</u>

**Note:**

- (1) The basis of preparation of the 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 December 2022 and the accompanying explanatory notes attached to the interim financial report.



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

---

**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING**

**A1 Basis of Preparation**

The interim financial report of Ecoscience International Berhad (“**Ecoscience**” or the “**Company**”) and its subsidiaries (the “**Group**”) are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“**MFRS**”) 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

This interim financial report should be read in conjunction with the Company’s Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

**A2 Significant Accounting Policies**

Save as disclosed below, the significant accounting policies and presentation adopted for the interim financial statements are consistent with those adopted in the Group’s audited consolidated financial statements for the financial year ended 31 December 2022.

- i. During the current financial period, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

**MFRSs (Including the Consequential Amendments)**

MFRS 17: Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

---

**A2 Significant Accounting Policies (Cont'd)**

- ii. The Group has not applied in advance any accounting standards and / or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the current financial period.

<b>MFRSs (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 MFRS16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendment 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 upon their initial application.

**A3 Auditors' Report of Preceding Annual Financial Statements**

The audited financial statements of the Group for the FYE 31 December 2022 were not subject to any qualification.

**A4 Seasonal or Cyclical Factors**

The nature of the Group's business was not subject to any significant seasonal and cyclical factors.

**A5 Exceptional Items**

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

**A6 Material Changes in Accounting Estimates**

There were no material changes in estimates during the current financial quarter under review.

**A7 Debt and Equity Securities**

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review, except as disclosed in Notes B6, B8 and B9.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**A8 Dividend Paid**

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

**A9 Segmental Reporting**

The Group's revenue is organised into the 3 main reportable segments as follows:-

- Construction of Plants and Facilities Segment
- Fabrication of Equipment Segment
- Supply of Materials and Equipment Segment
- Other Activities Segment

The segmental analysis of Group's revenue is set out as follows:

	Individual Quarter		Cumulative Quarter	
	(Unaudited) 30.9.2023	(Unaudited) 30.9.2022	(Unaudited) 30.9.2023	(Unaudited) 30.9.2022
	RM'000	RM'000	RM'000	RM'000
Construction of Plants and Facilities	38,926	29,415	107,170	56,052
Fabrication of Equipment	3,452	2,520	6,472	15,449
Supply of Materials and Equipment	4,215	5,014	7,926	17,811
Other Activities	114	252	401	664
<b>Total</b>	<b>46,707</b>	<b>37,201</b>	<b>121,969</b>	<b>89,976</b>

The Group's revenue by geographical location which the customers are located is set out as follows:

	Individual Quarter		Cumulative Quarter	
	(Unaudited) 30.9.2023	(Unaudited) 30.9.2022	(Unaudited) 30.9.2023	(Unaudited) 30.9.2022
	RM'000	RM'000	RM'000	RM'000
Malaysia	36,392	21,052	99,432	42,927
Gabon	8,199	11,109	20,173	29,983
Indonesia	2,116	5,035	2,364	16,840
Liberia	-	5	-	226
<b>Total</b>	<b>46,707</b>	<b>37,201</b>	<b>121,969</b>	<b>89,976</b>

**A10 Valuation of Property, Plant and Equipment**

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

---

**A11 Capital Commitments**

There are no capital commitments to the end of the current financial quarter under review that have not been reflected in this interim financial report.

**A12 Material Subsequent Event**

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report, except as disclosed in Note B6.

**A13 Changes in the Composition of the Group**

There were no other material changes in the composition of the Group for the current financial quarter under review. On 10 July 2023, the Group has incorporated an indirect wholly-owned subsidiary, PT Indo Ecoscience Industries in Indonesia which is 99.9% owned by Ecoscience and 0.1% owned by its wholly-owned subsidiary Ecoscience Manufacturing & Engineering Sdn Bhd.

**A14 Contingent Liabilities**

	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>As at</b>	<b>As at</b>
	<b>30.9.2023</b>	<b>30.9.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Performance guarantees extended to third parties	8,429	14,954

**A15 Significant Related Party Transactions**

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**PART B – EXPLANATORY NOTES PERSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1 Performance Review**

**(a) Results for Current Quarter**

	Individual Quarter		Changes	
	Unaudited Current Year Quarter 30.9.2023 RM'000	Unaudited Preceding Year Quarter 30.9.2022 RM'000	RM'000	%
Revenue	46,707	37,201	9,506	25.55
Loss before tax	(3,421)	(639)	(2,782)	(435.37)

The Group's revenue increased by RM9.51 million or approximately 25.55% to RM46.71 million in the current financial quarter ended 30 September 2023 as compared to the preceding year corresponding quarter mainly attributable to the increase in the revenue from the construction of plants and facilities and fabrication of equipment (by RM9.51 million and RM0.93 million, respectively) due to the projects of construction of plants and facilities progressively claimed and higher orders of fabrication of equipment during the period. The increase in construction revenue was partly offset by the decrease in revenue from supply of materials and equipment (by RM0.80 million) mainly attributable to lower orders during the current financial quarter ended 30 September 2023.

Malaysia was the largest market which contributed approximately 77.92% to the Group's total revenue in the current financial quarter under review. Revenue from Malaysia increased by 72.87% to RM36.39 million for the financial quarter under review as compared to the preceding year corresponding quarter mainly attributable to the projects progressively claimed. During the financial quarter under review, revenue from Gabon decreased by RM2.91 million to RM8.20 million and revenue from Indonesia decreased by RM2.92 million to RM2.12 million following the completion of most contracts as compared to the preceding year corresponding quarter.

Despite higher revenue was recorded, the Group registered loss before tax of RM3.42 million for the current financial quarter under review, representing a decrease of RM2.78 million as compared to the preceding year corresponding quarter mainly attributed to the following:

- (i) gross profit decreased mainly due to the profit margin of domestic projects is not as high as that of oversea projects, the increase in cost of sales mainly attributable to the increase of raw material and subcontractor costs and the oversea project cost due to the weakening of Ringgit Malaysia against Euro and USD; and
- (ii) finance costs increased mainly attributable to the drawdown of trade line facilities for working capital purpose.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**B1 Performance Review (Cont'd)**

**(b) Results for Financial Year-To-Date**

	Cumulative Quarter		Changes	
	Unaudited Current Year-To-Date 30.9.2023 RM'000	Unaudited Preceding Year-To-Date 30.9.2022 RM'000	RM'000	%
Revenue	121,969	89,976	31,993	35.56
(Loss)/Profit before tax	(2,661)	2,435	(5,096)	(209.28)

The Group's revenue recorded an increase of RM31.99 million, approximately 35.56% to RM121.97 million as compared to the revenue of RM89.98 million in the preceding year-to-date. The increase in revenue was mainly attributed to the increase in revenue from the construction of plants and facilities (by RM51.12 million) due to the progressive billings from projects in Malaysia. The increase in construction revenue was partly offset by the decrease in revenue from supply of materials and equipment and fabrication of equipment (by RM9.89 million and RM8.98 million, respectively) mainly attributable to lower orders during the current financial year-to-date ended 30 September 2023.

The Group recorded loss before tax of RM2.66 million for the current financial year-to-date ended 30 September 2023 as compared to a profit before tax of RM2.44 million in the preceding year-to-date ended 30 September 2022. The loss before tax was mainly attributed to the following:

- (i) gross profit decreased mainly due to the profit margin of domestic projects is not as high as that of oversea projects, the increase in cost of sales mainly attributable to the increase of raw material and subcontractor costs and the oversea project cost due to the weakening of Ringgit Malaysia against Euro and USD; and
- (ii) finance costs increased mainly attributable to the drawdown of trade line facilities for working capital purpose.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**B2 Comparison with Immediate Preceding Quarter's Results**

	Individual Quarter		Changes	
	Unaudited Current Quarter 30.9.2023 RM'000	Unaudited Preceding Quarter 30.6.2023 RM'000	RM'000	%
Revenue	46,707	30,111	16,596	55.12
(Loss)/Profit before tax	(3,421)	985	(4,406)	(447.31)

The Group's revenue for the current financial quarter ended 30 September 2023 increased by RM16.60 million, approximately 55.12% to RM46.71 million as compared to the revenue of RM30.11 million in the immediate preceding quarter. The increase in revenue was mainly attributed to the higher progress claim during the current financial quarter.

The Group recorded a loss before tax of RM3.42 million for the current financial quarter under review as compared to a profit before tax of RM0.99 million in the immediate preceding quarter which was mainly due to higher cost of sales recorded mainly attributable to the increase of raw material and subcontractor costs and the oversea project cost due to the weakening of Ringgit Malaysia against Euro and USD.

**B3 Prospects and Outlook for the Current Financial Year**

The Group will continue to focus on its core competencies in the construction of palm oil mills and supporting facilities, and fabrication of equipment as well as to explore business opportunities with prospective new customers to grow its customer base, including covering new geographical markets.

In addition, the Group will implement the following business strategies and plans:

- (a) to establish a new fabrication facility and office in Indonesia; and
- (b) to expand its environmental and energy efficiency business.

In light of the above, the Group remains cautiously optimistic of its performance driven by its existing on-going projects as well as new projects which are expected to be secured for the following quarters. The Group will continue to tender and secure new projects to sustain its order book.

On 30 August 2023, a military coup occurred in Gabon after the presidential election results were announced. However, the management is confident that the Group's business in Gabon has gradually returned to normality and it is not expected to have any major disruption to the Group's activities in Gabon.

**B4 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.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**B5 Tax Expense**

	Individual Quarter		Cumulative Quarter	
	Unaudited 30.9.2023 RM'000	Unaudited 30.9.2022 RM'000	Unaudited 30.9.2023 RM'000	Unaudited 30.9.2022 RM'000
Current tax (income)/ expense:				
- Current financial period	(861)	275	10	1,650
- Provision in prior period	135	(269)	135	(269)
	<u>(726)</u>	<u>6</u>	<u>145</u>	<u>1,381</u>
Deferred tax expenses:				
- Relating to origination and reversal of temporary differences	421	172	107	40
- Underprovision in prior period	-	-	-	-
Total tax (income) /expense	<u>(305)</u>	<u>178</u>	<u>252</u>	<u>1,421</u>

The Group's effective tax rates for the current third quarter ended 30 September 2023 is lower than the statutory tax rate of 24.0% mainly due to loss before taxation recorded during the respective period.



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

---

**B6 Status of Corporate Proposals**

Save as disclosed below, there were no other corporate proposals announced but not implemented as at the date of this interim financial report.

On 28 February 2023, Hong Leong Investment Bank Berhad (“**HLIB**”), on behalf of the Board of Directors of the Ecoscience (“**Board**”), announced that the Company proposes to undertake a free warrants issue of up to 170,000,000 free warrants in the Company on the basis of 1 free warrant for every 2 existing ordinary shares in Ecoscience (“**Shares**”) held by the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company on an entitlement date to be determined and announced later. On 27 April 2023, the Company has decided to defer the implementation of the said proposal to the third quarter of 2023.

On 22 August 2023, HLIB, on behalf of the Board announced that the Company proposes to undertake the following:

- (i) private placement of up to 34,000,000 new Shares (“**Placement Shares**”), representing 10.00% of the total number of issued Shares to third party investors to be identified (“**Proposed Private Placement**”); and
- (ii) free warrants issue of up to 187,000,000 free warrants in the Company (“**Warrant(s)**”) on the basis of 1 Warrant for every 2 existing ordinary shares held by the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company on an entitlement date to be determined and announced later (“**Proposed Free Warrants Issue**”).

Bursa Securities had, vide its letter dated 18 September 2023, approved the listing and quotation of up to 34,000,000 Placement Shares to be issued pursuant to the Proposed Private Placement subject to the conditions as set out in the said letter.

Bursa Securities had, vide its letter dated 19 September 2023, approved the admission of up to 187,000,000 Warrants to the Official List of Bursa Securities and the listing and quotation of up to 187,000,000 Warrants and up to 187,000,000 new Shares to be issued arising from the exercise of the Warrants on the ACE Market of Bursa Securities, subject to the conditions as set out in the letter.

On 11 October 2023, the Company announced the issue price for 34,000,000 Placement Shares at RM0.36 each. Subsequently, the Private Placement has been completed following the listing and quotation of 34,000,000 Placement Shares on the ACE Market of Bursa Securities on 25 October 2023.

At the Extraordinary General Meeting of the Company held on 24 November 2023, shareholders’ approval was obtained for the Proposed Free Warrants Issue.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**B7 Utilisation of Proceeds**

**Initial Public Offering (“IPO”)**

The gross proceeds from the IPO which was completed on 18 July 2022 amounting to approximately RM24.7 million and the status of utilisation of proceeds as at 30 September 2023 is as follows:

Details of Use of Proceeds		Proposed	%	Actual	Balance to be utilised	Estimated Timeframe for Utilisation Upon Listing <sup>(1)</sup>
		Utilisation		Utilisation		
		RM'000		RM'000	RM'000	
(1)	Business expansion	6,000	24.4	708	5,292	Within 24 months
(2)	Working capital	7,851	31.8	7,851	-	Within 12 months
(3)	Repayment of bank borrowings	7,000	28.4	7,000	-	Within 12 months
(4)	Estimated listing expenses	3,800	15.4	3,800	-	Within 1 month
		<u>24,651</u>	<u>100.0</u>	<u>19,359</u>	<u>5,292</u>	

**Note:**

(1) From the date of listing of the Company on the ACE Market of Bursa Securities. The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company dated 21 June 2022.

**Private Placement**

The gross proceeds from the Private Placement which was completed on 25 October 2023 amounting to approximately RM12.2 million and the status of utilisation of proceeds as at 30 September 2023 is as follows:

Details of Use of Proceeds		Proposed	%	Actual	Balance to be utilised	Estimated Timeframe for Utilisation <sup>(1)</sup>
		Utilisation		Utilisation		
		RM'000		RM'000	RM'000	
(1)	Repayment of bank borrowings	3,000	24.5	-	3,000	Within 12 months
(2)	Funding for the existing and new projects of the Group	8,840	72.2	-	8,840	Within 12 months
(3)	Estimated expenses	400	3.3	-	400	Within 1 month
		<u>12,240</u>	<u>100.0</u>	<u>-</u>	<u>12,240</u>	

**Note:**

(1) From the date of listing of the Placement Shares on the ACE Market of Bursa Securities. The utilisation of proceeds disclosed above should be read in conjunction with the Company's announcements dated 22 August 2023 and 18 September 2023 in relation to, amongst others, the Private Placement.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**B8 Group's Borrowings and Debt Securities**

The Group's borrowings are as follows:

	<b>(Unaudited) As At 30.9.2023 RM'000</b>	<b>(Audited) As At 31.12.2022 RM'000</b>
<b>Non-current liabilities:</b>		
Hire purchase payables	604	969
Term loans	8,578	8,143
	9,182	9,112
<b>Current liabilities:</b>		
Short-term borrowings <sup>(1)</sup>	42,406	30,816
Hire purchase payables	345	491
Term loans	1,534	1,104
Bank overdraft	12,898	13,192
	57,183	45,603
<b>Total borrowings</b>	66,365	54,715

The borrowings are secured and denominated in Ringgit Malaysia, except for a term loan of RM2,409,369 (31 December 2022: RM2,379,491) which is denominated in Singapore Dollar.

**Note:**

(1) Short-term borrowings consist of bankers' acceptances, revolving credits, and invoice financing.

**B9 Financial Instruments – Derivatives**

There were no derivative financial instruments involving the Group as at the date of this interim financial report.

**B10 Material Litigation**

There was no material litigation involving the Group as at the date of this interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**B11 Earnings Per Share**

The loss/earnings per share for the current financial quarter and financial year-to-date are computed as follows:

		Individual Quarter		Cumulative Quarter	
		Unaudited 30.9.2023	Unaudited 30.9.2022	Unaudited 30.9.2023	Unaudited 30.9.2022
(LAT)/PAT attributable to owners of the Company	(RM'000)	(3,116)	(817)	(2,913)	1,014
Weighted average number of ordinary shares in issue during the financial period <sup>(1)</sup>	('000)	340,000	324,817	340,000	280,405
(Loss)/Earnings per share	(sen)	(0.9165)	(0.2515)	(0.8568)	0.3616

**Note:**

(1) Based on the weighted average number of issued share capital of 257,830,500 ordinary shares after the completion of acquisition but prior to the IPO and 340,000,000 ordinary shares after the completion of the IPO.

The Company has no dilutive instruments as at the date of the statement of financial position. Diluted earnings per share is equivalent to basic earnings per share.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**B12 Notes to the Statement of Comprehensive Income**

Loss/Profit before tax is arrived at after charging / (crediting):

	Individual Quarter		Cumulative Quarter	
	Unaudited 30.9.2023 RM'000	Unaudited 30.9.2022 RM'000	Unaudited 30.9.2023 RM'000	Unaudited 30.9.2022 RM'000
Interest income	(90)	(22)	(172)	(61)
Interest expenses	764	683	2,229	1,622
Realised loss/(gain) on foreign exchange	(237)	9	(176)	(53)
Fair value gain on short term investment	(23)	-	(118)	-
Depreciation of property, plant and equipment	336	267	1,054	792
Listing expenses	-	941	-	1,571
Interest income received on short-term investment	(8)	-	(18)	-
Gain on disposal of property, plant and equipment	(251)	-	(251)	-
Rental expenses				
- Hostel	92	29	234	82
Net of impairment on trade receivables	(480)	480	(582)	480

Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements are not applicable.

**B13 Proposed Dividends**

The Board does not recommend any dividend for the current financial quarter under review.