



## **ECOSCIENCE INTERNATIONAL BERHAD**

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 <sup>(1)</sup>**

	Individual Quarter		Cumulative Quarter	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Current Year Quarter 30.9.2024 RM'000	Preceding Year Quarter 30.9.2023 RM'000	Current Year-To-Date 30.9.2024 RM'000	Preceding Year-To-Date 30.9.2023 RM'000
Revenue	27,825	46,707	102,615	121,969
Cost of sales	(35,471)	(45,945)	(108,626)	(113,313)
<b>Gross (loss)/profit</b>	<b>(7,646)</b>	<b>762</b>	<b>(6,011)</b>	<b>8,656</b>
Other income	113	411	230	694
Administrative expenses	(3,288)	(3,763)	(10,354)	(10,431)
Other operating (expenses)/income	(1,500)	(267)	(1,662)	1,189
Net impairment losses/reversal on impairment losses	(3,162)	480	(3,162)	582
Finance costs	(1,067)	(1,044)	(2,652)	(3,351)
<b>Loss before tax</b>	<b>(16,550)</b>	<b>(3,421)</b>	<b>(23,611)</b>	<b>(2,661)</b>
Tax (expense)/income	(46)	305	1,410	(252)
<b>Loss after tax ("LAT")</b>	<b>(16,596)</b>	<b>(3,116)</b>	<b>(22,201)</b>	<b>(2,913)</b>
Other comprehensive (loss)/income <sup>(2)</sup>	(1,097)	(220)	(1,166)	720
<b>Total comprehensive loss</b>	<b>(17,693)</b>	<b>(3,336)</b>	<b>(23,367)</b>	<b>(2,193)</b>
<b>LAT attributable to:</b>				
- Owners of the Company	(16,596)	(3,116)	(22,201)	(2,913)
	<b>(16,596)</b>	<b>(3,116)</b>	<b>(22,201)</b>	<b>(2,913)</b>
<b>Total comprehensive loss attributable to:</b>				
- Owners of the Company	(17,693)	(3,336)	(23,367)	(2,193)
	<b>(17,693)</b>	<b>(3,336)</b>	<b>(23,367)</b>	<b>(2,193)</b>
<b>Attributable to equity holders of the company<sup>(3)</sup>:</b>				
- Basic loss per share (sen)	(4.44)	(0.92)	(5.94)	(0.86)
- Diluted loss per share (sen)	(4.44)	(0.92)	(5.94)	(0.86)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER  
2024**

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**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 2023 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) Loss per share is calculated based on the LAT 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 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024<sup>(1)</sup>**

	(Unaudited) As at 30.9.2024 RM'000	(Audited) As at 31.12.2023 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	22,184	22,708
Other investments	6,680	3,620
	28,864	26,328
<b>Current assets</b>		
Inventories	10,420	24,043
Trade receivables	20,553	29,183
Other receivables, deposits and prepayments	1,639	8,454
Contract assets	53,288	47,009
Current tax assets	3,495	4,227
Short-term investment	49	5,141
Fixed deposits with licensed banks	17,563	23,672
Cash and bank balances	7,828	2,652
	114,835	144,381
<b>TOTAL ASSETS</b>	143,699	170,709
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	87,231	87,231
Foreign exchange translation reserve	(610)	556
Merger deficit	(45,209)	(45,209)
Retained profits	11,648	33,849
<b>TOTAL EQUITY</b>	53,060	76,427
<b>Non-current liabilities</b>		
Hire purchase payables	463	628
Term loans	10,671	7,135
Deferred tax liabilities	-	1,205
	11,134	8,968
<b>Current liabilities</b>		
Trade payables	24,810	21,530
Other payables and accruals	3,228	4,602
Provisions	810	810
Contract liabilities	1,972	9,569
Hire purchase payables	229	251
Term loans	5,569	1,279
Short-term borrowings	31,942	35,867
Bank overdrafts	10,892	11,398
Current tax liabilities	53	8
	79,505	85,314
<b>TOTAL LIABILITIES</b>	90,639	94,282
<b>TOTAL EQUITY AND LIABILITIES</b>	143,699	170,709
Number of ordinary shares ('000)	<b>374,000</b>	<b>374,000</b>
Net assets per ordinary share (RM) <sup>(2)</sup>	0.14	0.20

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER  
2024**

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**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 2023 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 2024 of 374,000,000 shares (31 December 2023: 374,000,000 shares).

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024<sup>(1)</sup>**

<u>Unaudited</u>	<u>Non-Distributable</u>			<u>Distributable</u>	<u>Total Equity</u> <u>RM'000</u>
	<u>Share Capital</u> <u>RM'000</u>	<u>Merger Deficit</u> <u>RM'000</u>	<u>Foreign Exchange Translation Reserve</u> <u>RM'000</u>	<u>Retained Profits</u> <u>RM'000</u>	
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/(loss) 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>

<u>Unaudited</u>	<u>Non-Distributable</u>			<u>Distributable</u>	<u>Total Equity</u> <u>RM'000</u>
	<u>Share Capital</u> <u>RM'000</u>	<u>Merger Deficit</u> <u>RM'000</u>	<u>Foreign Exchange Translation Reserve</u> <u>RM'000</u>	<u>Retained Profits</u> <u>RM'000</u>	
As at 1 January 2024	87,231	(45,209)	556	33,849	76,427
Loss after tax for the financial period	-	-	-	(22,201)	(22,201)
Other comprehensive loss for the financial period	-	-	(1,166)	-	(1,166)
Total comprehensive loss for the financial period	-	-	(1,166)	(22,201)	(23,367)
<b>Balance as at 30 September 2024</b>	<b>87,231</b>	<b>(45,209)</b>	<b>(610)</b>	<b>11,648</b>	<b>53,060</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 2023 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

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

	(Unaudited) Current Year-To-Date 30.9.2024 RM'000	(Unaudited) Preceding Corresponding Year-To-Date 30.9.2023 RM'000
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Loss before tax	(23,611)	(2,661)
Adjustments for:		
Depreciation of property, plant and equipment	979	1,054
Impairment loss on trade receivables	3,877	-
Reversal of impairment loss on trade receivables	(715)	(582)
Fair value gain on short term investment	(7)	(118)
Gain on disposal of property, plant and equipment	-	(251)
Interest expenses	2,188	2,229
Interest income	(132)	(190)
Property, plant and equipment written off	4	-
Unrealised loss on foreign exchange	1,844	-
Operating loss before working capital changes	(15,573)	(519)
Decrease in inventories	13,623	4,560
Decrease/(Increase) in trade and other receivables	10,439	(24,411)
(Increase)/Decrease in contract assets	(6,279)	14,931
Increase in trade and other payables	1,906	2,765
Decrease in contract liabilities	(7,598)	(6,182)
<b>CASH FLOWS FOR OPERATIONS</b>	(3,482)	(8,856)
Tax paid	(408)	(275)
Tax refunded	1,392	447
<b>NET CASH FLOWS FOR OPERATING ACTIVITIES</b>	(2,498)	(8,684)
<b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>		
Interest received	132	190
Purchase of property, plant and equipment	(805)	(467)
Purchase of other investment	(3,060)	(1,860)
Withdrawal of short-term investment	5,099	2,849
Withdrawal/(Placement) of fixed deposits pledged with licensed banks	6,109	(5,616)
Proceeds from disposal of property, plant and equipment	-	315
<b>NET CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>	7,475	(4,589)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of short-term borrowings	66,959	89,234
Drawdown of term loans	13,267	1,812
Interest paid	(2,188)	(2,277)
Repayment of short-term borrowings	(70,884)	(77,644)
Repayment of term loans	(5,258)	(977)
Repayment of hire purchase obligation	(187)	(511)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	1,709	9,637

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

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<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	6,686	(3,636)
EFFECT OF FOREIGN EXCHANGE TRANSLATION RESERVE	(1,004)	567
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	(8,746)	(6,772)
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<u>(3,064)</u>	<u>(9,841)</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 2023 and the accompanying explanatory notes attached to the interim financial report.



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

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**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 2023 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 2023.

- 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)**

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendment to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendment to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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 2024**

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**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 MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and 7: Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027

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 financial year ended ("FYE") 31 December 2023 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 B8 and B9.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**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) 30.9.2024	(Unaudited) 30.9.2023	(Unaudited) 30.9.2024	(Unaudited) 30.9.2023
	RM'000	RM'000	RM'000	RM'000
Construction of Plants and Facilities	23,799	38,926	92,523	107,170
Fabrication of Equipment	2,636	3,452	6,529	6,472
Supply of Materials and Equipment	1,071	4,215	2,849	7,926
Other Activities	319	114	714	401
<b>Total</b>	<b>27,825</b>	<b>46,707</b>	<b>102,615</b>	<b>121,969</b>

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

	Individual Quarter		Cumulative Quarter	
	(Unaudited) 30.9.2024	(Unaudited) 30.9.2023	(Unaudited) 30.9.2024	(Unaudited) 30.9.2023
	RM'000	RM'000	RM'000	RM'000
Malaysia	4,318	36,392	47,098	99,432
Gabon	20,765	8,199	32,820	20,173
Indonesia	1,499	2,116	21,454	2,364
United Kingdom	1,243	-	1,243	-
<b>Total</b>	<b>27,825</b>	<b>46,707</b>	<b>102,615</b>	<b>121,969</b>

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

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

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**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.

**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.

**A14 Contingent Liabilities**

	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>As at</b>	<b>As at</b>
	<b>30.9.2024</b>	<b>30.9.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Performance guarantees extended to third parties	8,512	8,429

**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 2024**

**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 30.9.2024 RM'000	Unaudited Preceding Year Quarter 30.9.2023 RM'000	RM'000	%
Revenue	27,825	46,707	(18,882)	(40.43)
Loss before tax	(16,550)	(3,421)	13,129	383.78

The Group's revenue decreased by RM18.88 million or approximately 40.43% to RM27.83 million in the current financial quarter ended 30 September 2024 as compared to the preceding year corresponding quarter. The decrease in the revenue of RM18.88 million from all segments was mainly due to lower progressive claims during the period.

The decrease in the Group's revenue in the current financial quarter ended 30 September 2024 mainly attributable to the decrease in revenue from Malaysia and Indonesia (by RM32.07 million and RM0.62 million respectively) as a result of lower projects' progressive claim due to modification and rectification work to be carried out, as most projects were during the current financial quarter. However, the decrease was partly offset by the increase in revenue from Gabon and United Kingdom by RM12.57 million and RM1.24 million respectively following the higher progressive claim from projects and recognition during the current financial quarter ended 30 September 2024.

The Group recorded a loss before tax of RM16.55 million for the current financial quarter under review as compared to a loss before tax of RM3.42 million for the preceding year's corresponding quarter mainly attributed to the following:

- (i) gross loss increased by RM7.65 million mainly due to the increase in the cost of sales attributable to the additional cost incurred due to modification and rectification work;
- (ii) other operating expenses of RM1.50 million in the current financial quarter under review as compared to other operating income of RM0.27 million in the preceding year's corresponding quarter mainly due to foreign exchange loss resulting from the strengthening of Ringgit; and
- (iii) impairment loss on financial asset during the current quarter

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

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

	Cumulative Quarter		Changes	
	Unaudited Current Year-To-Date 30.9.2024 RM'000	Unaudited Preceding Year-To-Date 30.9.2023 RM'000	RM'000	%
Revenue	102,615	121,969	(19,354)	(15.87)
Loss before tax	(23,611)	(2,661)	20,950	787.30

The Group's revenue recorded a decrease of RM19.35 million, approximately 15.87% to RM102.61 million in the current financial year-to-date ended 30 September 2024 as compared to the revenue of RM121.97 million in the preceding year-to-date. The decrease in revenue was mainly attributable to the decrease in revenue from the construction of plants and facilities and supply of materials and equipment by RM14.65 million and RM1.93 million respectively due to lower progressive claims and orders during the current financial year-to-date in Malaysia.

The Group recorded loss before tax of RM23.61 million for the current financial year-to-date ended 30 September 2024 as compared to a loss before tax of RM2.66 million for the preceding year-to-date ended 30 September 2023, mainly attributed to the following:

- (i) gross loss increased by RM6.01 million mainly due to the increase in the cost of sales mainly attributable to additional cost incurred to completed projects. These costs were caused by the delays in project due to modification and rectification work and the increase of raw material, labour and subcontractor costs during the current financial year-to-date;
- (ii) other operating expenses of RM1.66 million in the current financial year-to-date ended 30 September 2024 as compared to other operating income of RM1.19 million in the preceding year-to-date ended 30 September 2023 mainly due to foreign exchange loss resulting from the strengthening of Ringgit; and
- (iii) increase in impairment losses on trade receivables.

The above was partly offset by the decrease in finance costs during the current financial year-to-date ended 30 September 2024 mainly attributable to the one-off bank charge for the bank guarantee in previous year-to-date financial year.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

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

	Individual Quarter		Changes	
	Unaudited Current Quarter 30.9.2024 RM'000	Unaudited Preceding Quarter 30.6.2024 RM'000	RM'000	%
Revenue	27,825	29,319	(1,494)	(5.10)
Loss before tax	(16,550)	(2,745)	13,805	502.91

The Group's revenue for the current financial quarter ended 30 September 2024 decreased by RM1.49 million, approximately 5.10% to RM27.83 million compared to the revenue of RM29.32 million in the immediate preceding quarter. The decrease in revenue was mainly attributed to the construction of plant and facilities projects with lower progressive claims during the current financial quarter.

The Group's loss before tax for the current financial quarter under review increased by RM13.81 million compared to a loss before tax of RM2.75 million in the immediate preceding quarter, which was mainly attributed to the increase in gross loss by RM7.65 million mainly due to additional cost incurred to complete projects due to the delays in project during the current financial quarter under review.

**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, 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 physical presence 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.

As of to date, the new military leadership is governing Gabon until the next election which is expected to be held in August 2025. 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 2024**

**B5 Tax Expense/(Income)**

	Individual Quarter		Cumulative Quarter	
	Unaudited 30.9.2024 RM'000	Unaudited 30.9.2023 RM'000	Unaudited 30.9.2024 RM'000	Audited 30.9.2023 RM'000
Current tax expense/ (income):				
- Current financial period	(58)	(861)	-	10
- Under provision in prior period	64	135	64	135
	<u>6</u>	<u>(726)</u>	<u>64</u>	<u>145</u>
Deferred tax expenses/ (income):				
- Relating to origination and reversal of temporary differences	40	421	(1,474)	107
- Under/(Over) provision in prior period	-	-	-	-
Total tax expense/ (income)	<u>46</u>	<u>(305)</u>	<u>(1,410)</u>	<u>252</u>

The Group's effective tax rates for the current third quarter ended 30 September 2024 is lower than the statutory tax rate of 24% mainly due to loss before taxation recorded during the respective period.



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**B6 Status of Corporate Proposals**

There were no corporate proposals announced but not implemented as at the date of this interim financial report.

**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 2024 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	1,028	4,972	Within 48 months <sup>(2)</sup>
(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>19,679</u>	<u>4,972</u>	

**Notes:**

- (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 and the announcement for the extension of the timeframe for the utilisation of IPO proceeds dated 17 May 2024.
- (2) On 17 May 2024, the Company announced the extension of timeframe for the utilisation of IPO proceeds allocated for business expansion from within 24 months to within 48 months.

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**B8 Group's Borrowings**

The Group's borrowings are as follows:

	(Unaudited) As At 30.9.2024 RM'000	(Audited) As At 31.12.2023 RM'000
<b>Non-current liabilities:</b>		
Hire purchase payables	463	628
Term loans	10,671	7,135
	11,134	7,763
<b>Current liabilities:</b>		
Short-term borrowings <sup>(1)</sup>	31,942	35,867
Hire purchase payables	229	251
Term loans	5,569	1,279
Bank overdraft	10,892	11,398
	48,632	48,795
<b>Total borrowings</b>	59,766	56,558

The borrowings are secured and denominated in Ringgit Malaysia, except for a term loan of RM2,195,014 (31 December 2023: RM2,466,248) 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.

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**B10 Material Litigation**

Save as disclosed below, the Group is not involved in any material litigation as at the date of this report.

**(i) Ecoscience Manufacturing & Engineering Sdn Bhd vs Goodgloves Industries Sdn. Bhd.**

The Company's wholly-owned subsidiary, Ecoscience Manufacturing & Engineering Sdn Bhd ("**EMESB**"), had, on 22 December 2023 served the statutory demand under Section 466(1)(a) of the Companies Act 2016 ("**Statutory Demand**") to Goodgloves Industries Sdn. Bhd. ("**GISB**").

EMESB's claim against GISB pertains to the alleged payment default in relation to the promise of GISB to pay EMESB the sum of RM647,280.00 for the supply of goods and services for a new glove manufacturing plant at Bandar Sri Sendayan, Negeri Sembilan to GISB. The outstanding amount of RM647,280.00 remains due and owing to EMESB since November 2021.

On 29 January 2024, EMESB served a Winding-Up Petition on GISB in the High Court of Malaya at Shah Alam ("**Court**") via Companies Winding-Up Petition No. BA-28NCC-57-01/2024. The petition was set for case management before the Deputy Registrar via online (*e-Review*) on 7 March 2024 and for hearing before the Judge on 29 May 2024.

On 14 March 2024, the Court responded to the Case Management held via *e-Review* on 7 March 2024 that the Deputy Registrar approved the Registrar Certificate certifying compliance with all provisions of the winding up rules. The hearing date which was fixed on 29 May 2024 was maintained.

On 13 May 2024, GISB served the Summons in Chambers (Application to strike out the Petition), the Affidavit in Support, the Notice of Intention to Appear on the Hearing and the Notice of Intention to Use Affidavit in respect of the Petition.

On 17 May 2024, EMESB filed and served the Affidavit in Reply and the Notice of Intention to Use Affidavit in response to the GISB's Affidavit opposing the Petition and the Striking Out Application. Copies of the Affidavit in Reply and the Notice of Intention to Use Affidavit were served upon GISB's solicitor in respect of the Petition.

On 23 May 2024, GISB served the Affidavit in Reply to oppose the Petition and the application to strike out the Petition.

On 29 May 2024, the Hearing for the Petition was adjourned because the counsel for GISB was medically indisposed and the next Hearing for the Petition date was fixed on 12 June 2024. The Court also fixed a Case Management on 31 May 2024.

On 12 June 2024, the Petition and the GISB's Application to strike out the Petition were heard before Yang Arif Dato's Raja Rozela binti Raja Toran by way of physical hearing. Upon hearing the oral submissions by the counsel of both EMESB and GISB, the Court had fixed the case for decision on 9 August 2024 at 10.00 a.m., by way of *Zoom*.

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On 31 July 2024, EMESB and GISB have achieved a settlement, and EMESB would be seeking leave from Court to withdraw the Petition without liberty to file afresh, without any order as to costs. EMSB would also be seeking leave to obtain an order for a refund of the deposit sum.

Additionally, EMESB requested the Court to convert the decision date which was fixed on 9 August 2024 as a Case Management date via *Zoom* for parties to update the Court on the aforementioned developments.

On 8 August 2024, the Court fixed a case management by way of *Zoom* in respect of the EMESB's request to withdraw the Winding-Up Petition. The Court granted leave to EMESB to withdraw the Winding-Up Petition without liberty to file afresh and without any order as to costs.

**(ii) Ecoscience Manufacturing & Engineering Sdn Bhd vs RDS Marketing Malaysia Sdn. Bhd.**

The Company's wholly-owned subsidiary, EMESB, had on 5 January 2024 served a Writ of Summons and Statement of Claim to RDS Marketing Malaysia Sdn. Bhd. ("**RDS**") in the Court via Suit No. BA-22NCvC-6-01/2024 ("**Suit**").

EMESB's claim against the RDS pertains to the alleged payment default in relation to the promise of RDS to pay EMESB the remaining sum of RM2,377,844.15 being the completion of project known as "Cadangan Membina Sebuah Kilang 1 Tingkat, Sebuah Gudang 1 Tingkat, Sebuah Pejabat 2 Tingkat, Sebuah Bangunan Tandas 1 Tingkat, 2 Unit Pencawang Elektrik, 1 Unit Kebuk Sampah dan 2 Unit Pondok Pengawal di atas Lot 46554 (PT12618), Persiaran Bandar Sri Sendayan, Kawasan Perindustrian Sendayan, Techvalley, Bandar Sri Sendayan, Negeri Sembilan Khusus untuk Tetuan GoodGloves Industries Sdn. Bhd." (the "**Project**"). The total contract sum for the Project was RM4,395,784.15 and the balance amount of RM2,377,844.15 remains due and owing to EMESB since May 2022. The above Suit was fixed for case management via online (*e-Review*) on 7 February 2024.

On 7 February 2024, EMESB served a Notice of Application for Summary Judgment ("**Application**") to RDS in the Court in respect of the Suit. The Application was fixed for case management via online (*e-Review*) on 1 March 2024. The Court allowed RDS's application for an extension of time to file and serve their defence on or before 23 February 2024 and EMESB was directed to file the reply to defence by 8 March 2024. The next case management via online (*e-Review*) was scheduled on 1 March 2024 for the RDS to update the Court on the status of the defence.

On 26 February 2024, EMESB served the Statement of Defence & Counterclaim and Affidavit in Reply in respect of the Application. RDS denied some of EMESB's claims and counterclaimed against EMESB for the following:

(a) EMESB to pay RDS in the sum of RM397,660.99 as summarised below:

No.	Particulars of Services at the request of EMESB	Amount (RM)
1	Supply of surveyor services	44,250.00
2	Supply of crusher run	86,407.49
3	Supply of Covid-19 RTK Antigens Test	5,170.00

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4	Installation of Fencing and Single Leaf Swing Gate at the project site	261,833.50
<b>Total (RM)</b>		<b>397,660.99</b>

- (b) Interest at the rate of 5% per annum on the judgement sum or such sums awarded by the Court from the date of Counterclaim to the date of realisation of the judgement;
- (c) Costs; and
- (d) Such further or other relief that the Court deems fit, just and proper in the circumstances be granted.

On 1 March 2024 in respect of the EMESB's claim against RDS for the Writ and Summary Judgment in respect of the Suit, the Court allowed EMESB's application for an extension of time to file the Reply and Defence to Counterclaim and Affidavit in Reply for Summary Judgment until 18 March 2024.

On 15 March 2024, EMESB served the Reply and Defence to Counterclaim to RDS.

On 18 March 2024, EMESB served the Affidavit in Reply and Additional Affidavit in Reply in relation to the Summary Judgment to RDS in the Court in respect of the Suit.

On 25 March 2024 in relation to the Writ and Summary Judgment, RDS requested for leave to file a further Affidavit in Reply, which the Court allowed and RDS was required to file and serve the Affidavit in Reply by 5 April 2024. EMESB had also been given leave to file a final Affidavit in Reply thereto within 2 weeks from the receipt of RDS's Affidavit in Reply. The Court scheduled the next case management via online (e-Review) on 19 April 2024 for EMESB and RDS to update the Court on the status of the Affidavits in Reply.

On 5 April 2024, RDS served a further Affidavit in Reply in respect of the Summary Judgment. On 19 April 2024, EMESB served the Affidavit in Reply in relation to the Summary Judgment to RDS in respect of the Suit. In respect of the application to enter Summary Judgment against RDS, the Court directed EMESB and RDS to file their Written Submissions simultaneously on or before 14 May 2024 and the Submission in Reply simultaneously on or before 28 May 2024, since the filing of Affidavit in respect of the Application was exhausted. The Application was fixed for Hearing before the High Court Judge via Zoom on 4 June 2024.

On 25 April 2024, the Court rescheduled the Hearing date for the Summary Judgement Application before the High Court Judge on 20 June 2024. The said Hearing will be conducted via Zoom. The directions in respect of the filing of written submissions were maintained.

On 14 May 2024, EMESB served a copy of the Written Submissions dated 14 May 2024 and the Bundle of Authorities in respect of the Summary Judgment Application to RDS's solicitor. The Case Management in respect of the said application is scheduled on 20 June 2024.

On 31 May 2024, EMESB served a copy of the Submissions in Reply dated 31 May 2024 and the EMESB's Bundle of Authorities Vol. 2 to the RDS's solicitor in respect of the Summary Judgment Application.

On 20 June 2024, the case was vacated as the Honourable Judge was medically indisposed. The Court fixed a Case Management date on 19 July 2024 in order to fix a new Hearing date for the Summary Judgment Application.

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2024**

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On 19 July 2024, the Summary Judgment application was fixed for Hearing on 19 September 2024 via *Zoom*. The Court also fixed the Case Management in respect of the Writ of Summons on the same date.

On 18 September 2024, the Summary Judgement application and the Case Management of the Writ of Summons which was scheduled on 19 September 2024 has been postponed as the Hon. Judge is currently on medical leave. The court has fixed the new Hearing and Case Management before the Hon. Judge on 2 December 2024 at 9.30a.m. via *Zoom*.

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**B11 Loss Per Share**

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

		Individual Quarter		Cumulative Quarter	
		Unaudited 30.9.2024	Unaudited 30.9.2023	Unaudited 30.9.2024	Unaudited 30.9.2023
LAT attributable to owners of the Company	(RM'000 )	(16,596)	(3,116)	(22,201)	(2,913)
Weighted average number of ordinary shares in issue during the financial period <sup>(1)</sup>	('000)	374,000	340,000	374,000	340,000
Effects of conversion of warrants	('000)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share computation	('000)	-	-	-	-
Basic loss per share	(sen)	<u>(4.44)</u>	<u>(0.92)</u>	<u>(5.94)</u>	<u>(0.86)</u>
Diluted loss per share	(sen)	<u>(4.44)</u>	<u>(0.92)</u>	<u>(5.94)</u>	<u>(0.86)</u>

**Note:**

(1) Based on the 340,000,000 ordinary shares after the completion of the IPO and the private placement 374,000,000 ordinary shares after the completion of the private placement.

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

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

	Individual Quarter		Cumulative Quarter	
	Unaudited 30.9.2024 RM'000	Unaudited 30.9.2023 RM'000	Unaudited 30.9.2024 RM'000	Unaudited 30.9.2023 RM'000
Interest income	(65)	(90)	(131)	(172)
Interest expenses	754	764	2,188	2,229
Realised loss/(gain) on foreign exchange	606	(237)	(186)	(176)
Fair value gain on short term investment	(1)	(23)	(7)	(118)
Unrealised loss/(gain) on foreign exchange	2,106	505	1,844	(1,012)
Depreciation of property, plant and equipment	362	336	979	1,054
Interest income received on short-term investment	-	(8)	(1)	(18)
Property, plant and equipment written off	-	-	4	-
Gain on disposal of property, plant and equipment	-	(251)	-	(251)
Rental expenses				
- Hostel	122	92	292	234
Reversal of impairment loss on trade receivables	(715)	(480)	(715)	(582)
Impairment loss on trade receivables	3,877	-	3,877	-

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.