



# **ECA INTEGRATED SOLUTION BERHAD**

[ *Company No. 202101031471 (1431771-P)* ]  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED  
31 JULY 2022**

# ECA INTEGRATED SOLUTION BERHAD

(Company No. 202101031471 (1431771-P))  
(Incorporated in Malaysia)



## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

### UNAUDITED CONDENSED COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME<sup>(1)</sup>

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED		9 MONTHS ENDED	
	31/07/2022	31/07/2021 <sup>(2)</sup>	31/07/2022	31/07/2021 <sup>(2)</sup>
	RM '000	RM '000	RM '000	RM '000
Revenue	10,025	N/A	19,669	N/A
Cost of sales	(5,940)	N/A	(12,400)	N/A
<b>Gross profit</b>	<b>4,085</b>	<b>N/A</b>	<b>7,269</b>	<b>N/A</b>
Other operating incomes	456	N/A	434	N/A
Selling and administrative expenses	(1,172)	N/A	(2,635)	N/A
<b>Profit/(loss) from operations</b>	<b>3,369</b>	<b>N/A</b>	<b>5,068</b>	<b>N/A</b>
Interest income	-	N/A	2	N/A
Interest expense	(37)	N/A	(134)	N/A
Net finance income	(37)	N/A	(132)	N/A
<b>Profit/(loss) before taxation</b>	<b>3,332</b>	<b>N/A</b>	<b>4,936</b>	<b>N/A</b>
Tax expense	(95)	N/A	(96)	N/A
<b>Profit/(loss) for the financial period</b>	<b>3,237</b>	<b>N/A</b>	<b>4,840</b>	<b>N/A</b>
<b>Other comprehensive income</b>	-	N/A	-	N/A
<b>Total comprehensive income for the financial period</b>	<b>3,237</b>	<b>N/A</b>	<b>4,840</b>	<b>N/A</b>
<b>Net Profit / Total comprehensive income for the financial period attributable to:</b>				
Owners of the parent	3,237	N/A	4,840	N/A
Non-controlling interests	-	N/A	-	N/A
	<b>3,237</b>	<b>N/A</b>	<b>4,840</b>	<b>N/A</b>
Basic earning per share (sen) <sup>(3)</sup>	0.76	N/A	1.13	N/A
Diluted earning per share (sen) <sup>(4)</sup>	0.76	N/A	1.13	N/A

# ECA INTEGRATED SOLUTION BERHAD

(Company No. 202101031471 (1431771-P))  
(Incorporated in Malaysia)



## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

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### Notes:

- (1) *The Unaudited Condensed Combined Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of ECA Integrated Solution Berhad ("**ECA Integrated**") or the "**Company**") dated 4 November 2022 ("**Prospectus**") and the accompanying explanatory notes attached to this condensed interim financial report.*
- (2) *No comparative figures for the preceding financial year's corresponding quarter and period-to-date are presented as this is the first condensed interim financial report announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**").*
- (3) *Basic earning per share ("**EPS**") is calculated based on the Company's enlarged share capital of 427,500,225 shares after the acquisition of ECA Advanced Solutions Sdn Bhd ("**ECA Solutions**") as disclosed in Note A11 but before the Initial Public Offering ("**IPO**") of the Company.*
- (4) *The diluted EPS is equivalent to the basic EPS as the Company does not have any convertible options at the end of the reporting period.*

N/A - Not Applicable.

# ECA INTEGRATED SOLUTION BERHAD

(Company No. 202101031471 (1431771-P))  
(Incorporated in Malaysia)



## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

### UNAUDITED CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup>

	(Unaudited) As at 31/07/2022 RM '000	(Audited) As at 31/10/2021 RM '000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Plant and equipment	983	1,039
Right of use assets	1,732	1,444
Deferred tax assets	-	72
<b>Total Non-Current Assets</b>	<b>2,715</b>	<b>2,555</b>
<b>Current Assets</b>		
Inventories	5,861	6,347
Trade receivables	14,788	10,544
Other receivables, deposits and prepayments	1,814	1,806
Current tax asset	2	4
Cash and bank balances	8,238	4,996
<b>Total Current Assets</b>	<b>30,703</b>	<b>23,697</b>
<b>TOTAL ASSETS</b>	<b>33,418</b>	<b>26,252</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	^	^
Invested equity	1,000	1,000
Retained profits	20,880	16,040
<b>Total Equity</b>	<b>21,880</b>	<b>17,040</b>
<b>Non-Current Liabilities</b>		
Bank borrowings	1,444	1,696
Deferred taxation	23	-
Lease liabilities	1,012	923
<b>Total Non-Current Liabilities</b>	<b>2,479</b>	<b>2,619</b>
<b>Current Liabilities</b>		
Trade payables	3,941	3,757
Other payables and accruals	1,349	493
Bank borrowings	3,356	1,989
Lease liabilities	413	354
<b>Total Current Liabilities</b>	<b>9,059</b>	<b>6,593</b>
<b>TOTAL LIABILITIES</b>	<b>11,538</b>	<b>9,212</b>
<b>TOTAL EQUITY &amp; LIABILITES</b>	<b>33,418</b>	<b>26,252</b>
Number of ordinary shares ('000)	427,500	427,500
Net assets per ordinary share (RM) <sup>(2)</sup>	0.05	0.04

# ECA INTEGRATED SOLUTION BERHAD

(Company No. 202101031471 (1431771-P))  
(Incorporated in Malaysia)



## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

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### Notes:

- (1) *The basis of preparation of the Unaudited Combined Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Net assets per ordinary shares is calculated based on net assets divided by the Company's enlarged share capital of 427,500,225 shares after the acquisition of ECA Solutions as disclosed in Note A11 but before the IPO of the Company.*
- (3) *^ - denote RM9.00*

# ECA INTEGRATED SOLUTION BERHAD

(Company No. 202101031471 (1431771-P))  
(Incorporated in Malaysia)



## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

### UNAUDITED CONDENSED COMBINED STATEMENT OF CHANGES IN EQUITY<sup>(1)</sup>

	<u>Share Capital</u> RM '000	<u>Invested Equity</u> RM '000	<u>Retained Profits</u> RM '000	<u>Total Equity</u> RM '000
Balance as at 01 November 2021	^	1,000	16,040	17,040
Profit for the financial period	-	-	4,840	<b>4,840</b>
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial period	-	-	4,840	4,840
<b>Balance as at 31 July 2022</b>	<b>^</b>	<b>1,000</b>	<b>20,880</b>	<b>21,880</b>

#### Notes:

- <sup>(1)</sup> The basis of preparation of the Unaudited Condensed Combined Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- <sup>(2)</sup> This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.
- <sup>(3)</sup> ^ - denote RM9.00

# ECA INTEGRATED SOLUTION BERHAD

(Company No. 202101031471 (1431771-P))  
(Incorporated in Malaysia)



## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

### UNAUDITED CONDENSED COMBINED STATEMENT OF CASH FLOWS<sup>(1)</sup>

	(Unaudited) Current Year to Date 31/07/2022 RM '000	(Unaudited) Preceding Corresponding Year to Date 31/07/2021 <sup>(2)</sup> RM '000
<b>Cash flows from operating activities</b>		
Profit before taxation	4,936	N/A
Adjustment for:-		
Depreciation of plant and equipment	116	N/A
Depreciation of right of use assets	175	N/A
Interest expense	134	N/A
Interest income	(2)	N/A
Unrealised gain on foreign exchange	(434)	N/A
<b>Operating profit before working capital</b>	<b>4,925</b>	<b>N/A</b>
Net changes in inventories	486	N/A
Net changes in trade and other receivables	(3,792)	N/A
Net changes in trade and other payables	1,013	N/A
<b>Cash flows for operations</b>	<b>2,632</b>	<b>N/A</b>
Tax refund	2	N/A
<b>Net cash generated from operating activities</b>	<b>2,634</b>	<b>N/A</b>
<b>Cash flows from investing activities</b>		
Interest received	2	N/A
Purchase of plant and equipment	(61)	N/A
Purchase of right of use assets	(47)	N/A
<b>Net cash used in investing activities</b>	<b>(106)</b>	<b>N/A</b>
<b>Cash flows from financing activities</b>		
Interest paid	(134)	N/A
Repayment of borrowings	224	N/A
Repayment of lease liabilities	(267)	N/A
<b>Net cash used in financing activities</b>	<b>(177)</b>	<b>N/A</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,351</b>	<b>N/A</b>
Cash and cash equivalents at the beginning of the financial period	4,996	N/A
<b>Cash and cash equivalents at the end of the financial period</b>	<b>7,347</b>	<b>N/A</b>

# ECA INTEGRATED SOLUTION BERHAD

(Company No. 202101031471 (1431771-P))  
(Incorporated in Malaysia)



## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

### UNAUDITED CONDENSED COMBINED STATEMENT OF CASH FLOWS<sup>(1)</sup>

	(Unaudited) Current Year to Date 31/07/2022 RM 000	(Unaudited) Preceding Corresponding Year to Date 31/07/2021 <sup>(2)</sup> RM 000
<b>Cash and cash equivalents</b>		
Cash and bank balances	8,238	N/A
Bank overdrafts	(891)	N/A
	<b>7,347</b>	<b>N/A</b>

#### Notes:

<sup>(1)</sup> The basis of preparation of the Unaudited Condensed Combined Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

<sup>(2)</sup> This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.

N/A Not Applicable



# ECA INTEGRATED SOLUTION BERHAD

(Company No. 202101031471 (1431771-P))  
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## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS 134”), INTERIM FINANCIAL REPORT

##### A1 BASIS OF PREPARATION

The condensed interim financial report of ECA Integrated and its subsidiary (“**ECA Group**” or the “**Group**”) is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standards (“**MFRS**”) 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“**MASB**”), International Financial Reporting Standard (“**IFRSs**”), requirements of the Companies Act, 2016 in Malaysia, Rule 9.22 and Appendix 9B of the Listing Requirements.

This is the first interim financial report on the Group’s unaudited condensed combined financial statements for the third quarter ended 31 July 2022 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding corresponding period.

This condensed interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus, and the accompanying explanatory notes are an integral part of this condensed interim financial report.

##### A2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial report are consistent with those adopted as disclosed in the Accountants’ Report in the Prospectus.

At the date of authorisation for the issuance of this condensed interim financial report, the Group has not applied in advance the following new standards and amendments to the published standards, which were issued but not yet effective and have not been early adopted by the Group:

#### MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, First-Time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018 - 2020 cycle)
- Amendments to MFRS 3, Business Combination - Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018 - 2020 cycle)
- Amendments to MFRS 116, Property, Plant and Equipment - Property, Plant and Equipment - Proceeds before Intended Use

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(Company No. 202101031471 (1431771-P))  
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## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

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### NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)

#### A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS 134”), INTERIM FINANCIAL REPORT (Cont'd)

#### A2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contract - Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018 - 2020 Cycle)
- Amendments to illustrative Example accompanying MFRS16, Leases (Annual Improvements to MFRS Standards 2018 - 2020)

#### MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, Insurance Contracts
- Amendment to MFRS 17, Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current and Disclosure of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Error – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Tax – Deferred Tax related Assets and Liabilities arising from a Single Transaction

#### MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, Leases – Lease Liability in a Sale and Leaseback

#### MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts on the condensed interim financial report of the Group.

#### A3 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of the Group for the financial year ended 31 October 2021 were not subject to any qualification.

# ECA INTEGRATED SOLUTION BERHAD

(Company No. 202101031471 (1431771-P))  
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## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

### NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)

#### A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS 134”), INTERIM FINANCIAL REPORT (Cont'd)

##### A4 SEASONAL AND CYCLICAL FACTORS

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

##### A5 MATERIAL UNUSUAL ITEMS

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

##### A6 MATERIAL CHANGES IN ESTIMATES

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

##### A7 DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial quarter under review.

##### A8 DIVIDEND PAID

There was no dividend paid during the current financial quarter under review.

##### A9 SEGMENTAL INFORMATION

9 months ended 31 July 2022

	Investment Holding RM '000	Manufactur-ing RM '000	Total RM '000	Elimination RM '000	Combined Total RM '000
Revenue					
External sales	-	19,669	19,669	-	19,669
- Malaysia	-	6,407	6,407	-	6,407
- Outside Malaysia	-	13,262	13,262	-	13,262
	-	<b>19,669</b>	<b>19,669</b>	-	<b>19,669</b>
Segmental result	(5)	5,073	5,068	-	5,068
Interest expense	-	(134)	(134)	-	(134)
Interest income	-	2	2	-	2
Profit before taxation	(5)	4,941	4,936	-	4,936
Tax expenses	-	(96)	(96)	-	(96)
<b>Profit for the period</b>	<b>(5)</b>	<b>4,845</b>	<b>4,840</b>	-	<b>4,840</b>

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## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

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### NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)

#### A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS 134”), INTERIM FINANCIAL REPORT (Cont'd)

#### A9 SEGMENTAL INFORMATION (Cont'd)

No comparative figures for the preceding corresponding quarter and period are available as this is the first condensed interim financial report announced in compliance with the Listing Requirements.

#### A10 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE QUARTER

Save as disclosed in Note B6 “Status of Corporate Proposals”, there are no other material events subsequent to the end of the current financial quarter under review.

#### A11 CHANGES IN THE COMPOSITION OF THE GROUP

On 21 September 2022, the Company had completed the acquisition of the entire equity interest in ECA Solutions at a purchase consideration of RM17,100,000, which was fully satisfied by the issuance of 427,500,000 new shares at an issue price of RM0.04 per share.

Save as disclosed above, there were no other material changes in the composition of the Group for the current financial quarter under review.

#### A12 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other material contingent liabilities and contingent assets of the Group as at the end of the current financial quarter under review, except disclosed below:

	<b>Unaudited As at 31/07/2022 RM '000</b>
Secured performance guarantee given to customer	<u>176</u>

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## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

### NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)

#### A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS 134”), INTERIM FINANCIAL REPORT (Cont'd)

##### A13 CAPITAL COMMITMENTS

Other than as disclosed below, there are no other material capital commitments as at the end of the current financial quarter under review:

	<b>Unaudited As at 31/07/2022 RM '000</b>
Acquisition of machineries	<u>2,150</u>

##### A14 RELATED PARTY TRANSACTIONS

The Group's related party transactions for current financial quarter under review are as follows:

Transacting party	Relationship	Nature of transactions	Current quarter RM	Financial Year-to-date RM
ECA Advance Automation Sdn Bhd	A company in which certain directors have substantial interest	Rental	93,000	280,000

##### A15 DISCLOSURE OF DERIVATIVES

There was no outstanding derivative financial instruments at the end of the current financial quarter under review.

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## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

### B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

#### B1 REVIEW OF PERFORMANCE

	Current Quarter 3 Months Ended			Cumulative Quarter Financial Period-To-Date		
	31/07/2022 RM '000	31/07/2021 RM '000	Changes %	31/07/2022 RM '000	31/07/2021 RM '000	Changes %
Revenue	10,025	N/A	N/A	19,669	N/A	N/A
Profit before taxation	3,332	N/A	N/A	4,936	N/A	N/A

The Group recorded revenue and profit before taxation (“PBT”) of RM10.03 million and RM3.33 million for the current quarter under review. For the cumulative quarter under review, the Group posted revenue and PBT of RM19.67 million and RM4.94 million respectively.

The favourable result was contributed by the manufacturing division mainly from the provision of integrated production systems and standalone automated equipment, partially offset by production costs coupled with the selling and administrative expenses.

There are no comparative figures for the preceding corresponding quarter and period as this is the first condensed interim financial report announced in compliance with the Listing Requirements.

#### B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER

	Current Quarter	Immediate Preceding Quarter	Changes %
	31/07/2022 RM '000	30/04/2022 RM '000	
Revenue	10,025	N/A	N/A
Profit before taxation	3,332	N/A	N/A

There are no comparative figures for the immediate preceding quarter as this is the first condensed interim financial report announced in compliance with the Listing Requirements.

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## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

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### **B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**

#### **B3 PROSPECTS**

Malaysia reclassified the Covid-19 pandemic to the endemic phase and reopening of border during the financial quarter under review. The reopening of the global economy and the improvement in market conditions continue to support the improvement in economic activities and continued easing in global supply chain conditions. However, these have been partly offset by the impact from rising cost pressures, the military conflict in Ukraine and strict containment measures undertaken in China.

A rising number of companies began relocating their manufacturing operations to other strategic locations as a direct consequence of the US-China trade tensions and the Russia-Ukraine war. Malaysia, other Southeast Asian countries and Eastern Europe, have become destinations of choice for multinational manufacturers to set up their factories and/or outsource their production. This relocation and decentralisation of production facilities augur well for the Group due to the strategic locations and/or availability of talent, as well as developed local ecosystem in Malaysia.

Government of Malaysia had on 27 April 2022 gazetted The Minimum Wages Order 2022. The higher of minimum wage raises the cost of labour and increases the range of tasks that are susceptible to displacement by automation — especially the tasks of minimum wage jobs, which tend to be labour intensive and composed of low-skill tasks. Accordingly, the Group continues to see high growing momentum in the demand for automated manufacturing solutions.

The Group remained optimistic in revenue growth and constantly exploring new technologies to cater for market needs.

#### **B4 VARIANCE FROM PROFIT FORECAST**

There is no profit forecast issued for the current financial period under review.

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## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

### B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

#### B5 TAX EXPENSE

	Current Quarter RM '000	Cumulative Quarter RM '000
Income tax expenses:		
Current financial period	-	(1)
Movement in deferred tax:		
Relating to origination of temporary differences	(95)	(95)
<b>Total tax expense</b>	<b>(95)</b>	<b>(96)</b>

Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated assessable profits for the fiscal year. Tax expense is recognised based on management's best estimate.

The effective tax rate of the Group is lower than the statutory tax rate mainly due to ECA Solutions being granted full tax exemption on its statutory income from pioneer activities.

#### B6 STATUS OF CORPORATE PROPOSALS

(a) On 22 February 2022, the Company entered into a conditional Share Sale Agreement to acquire the entire equity interest in ECA Solutions comprising 1,000,000 ordinary shares for a purchase consideration of RM17,100,000 to be fully satisfied by the issuance of 427,500,000 new shares in the Company at an issue price of RM0.04 per share.

The acquisition of ECA Solutions was completed on 21 September 2022.

(b) On 04 November 2022, the Company issued its Prospectus in conjunction with the Company's listing on the ACE Market of Bursa Securities where it has undertaken an initial public offering ("**IPO**") comprising: -

(i) Public issue of 150,000,000 new shares ("**Public Issue**") allocated in the following manner:

- 28,880,000 issue shares for application by the Malaysian Public;
- 14,400,000 issue shares for application by the eligible directors, employees and persons who have contributed to the success of the Group;
- 106,720,000 issue shares for application by way of private placement to selected investors; and



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## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

### B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

#### B6 STATUS OF CORPORATE PROPOSALS (Cont'd)

(b) On 04 November 2022, the Company issued its Prospectus in conjunction with the Company's listing on the ACE Market of Bursa Securities where it has undertaken an initial public offering ("IPO") comprising: - (Cont'd)

(ii) Offer for sales of 48,000,000 existing shares by way of private placement to selected investors,

At an issue / offer price of RM0.17 per share.

The listing exercise is still pending completion as the Company is expected to be listed on 23 November 2022.

#### B7 UTILISATION OF PROCEED RAISED FROM THE IPO

The gross proceeds of RM25.50 million to be raised from the IPO via Public Issue are intended to be utilised in the following manner:

<b>Detail of utilisation</b>	<b>Estimated timeframe for the utilisation upon listing</b>	<b>Proposed Utilisation RM '000</b>	<b>Actual Utilisation RM '000</b>
Acquisition of machineries	Within 24 months	7,700	-
Repayment of bank borrowings	Within 6 months	1,000	-
Working capital	Within 24 months	14,000	-
Estimated listing expenses	Within 3 months	2,800	-
		<b>25,500</b>	<b>-</b>

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus. As of the date of authorisation of this condensed interim financial report, the IPO is still pending completion, and hence there is no utilisation of IPO proceeds.

# ECA INTEGRATED SOLUTION BERHAD

(Company No. 202101031471 (1431771-P))  
(Incorporated in Malaysia)



## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

### B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

#### B8 GROUP BORROWINGS AND DEBT SECURITIES

The details of the Group's borrowings are as follow:

	Unaudited As at 31/07/2022 RM '000	Audited As at 31/10/2021 RM '000
<b>Current liabilities</b>		
Bankers' acceptance	2,094	1,555
Bank overdrafts	891	-
Letter of credit	-	40
Term loans	371	374
Trust receipt	-	20
	<b>3,356</b>	<b>1,989</b>
<b>Non-Current liabilities</b>		
Term loans	1,444	1,696
	<b>1,444</b>	<b>1,696</b>
<b>Total borrowings</b>	<b>4,800</b>	<b>3,685</b>

All the Group's borrowings are denominated in RM, secured and interest-bearing.

#### B9 MATERIAL LITIGATION

The Group is not engaged in any material litigation either as plaintiff or defendant, and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

#### B10 DIVIDEND PROPOSED

No dividend has been declared or proposed during the current financial quarter under review and for the financial period to date.

# ECA INTEGRATED SOLUTION BERHAD

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## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

### B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

#### B11 EARNINGS PER SHARE

	Current Quarter 3 Months Ended		Cumulative Quarter Current Year-to-Date	
	31/07/2022	31/07/2021 <sup>(1)</sup>	31/07/2022	31/07/2021 <sup>(1)</sup>
Profit attributable to owners of the Company (RM'000)	3,237	N/A	4,840	N/A
Weighted average number of Shares in issue ('000)	427,500	N/A	427,500	N/A
Basic EPS (sen) <sup>(2)</sup>	0.76	N/A	1.13	N/A
Diluted EPS (sen) <sup>(2)</sup>	0.76	N/A	1.13	N/A

#### Notes:

- (1) This is the first interim financial report announced in compliance with the Listing Requirements. There are no available comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.
- (2) Basic and diluted EPS are calculated by dividing the profit after tax attributable to owners of the Company by the number of shares in issue after the acquisition of ECA Solutions as disclosed in Note A11 but before the IPO.

N/A Not Applicable

#### B12 NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

	Current Quarter 31/07/2022 RM '000	Cumulative Quarter 31/07/2022 RM '000
Depreciation of plant and equipment	40	116
Depreciation of right of use assets	66	175
Interest expense	37	134
Interest income	-	(2)
Unrealised gain in foreign currency exchange	(434)	(434)

# ECA INTEGRATED SOLUTION BERHAD

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## Interim Financial Report on Combined Results For the Third Quarter Ended 31 July 2022

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### **B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**

#### **B12 NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Cont'd)**

Save for the above, the other disclosure items as required under Rule 16, part A of Appendix 9B of the Listing Requirements are not applicable.

#### **B13 AUTHORISATION FOR ISSUE**

The condensed interim financial report was authorised for issue by the Board of Directors on 16 November 2022.

#### **By Order of the Board**

Ang Chee Hwai (MAICSA 7030659)  
Company Secretary  
Penang