



# **ECA INTEGRATED SOLUTION BERHAD**

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED  
31 OCTOBER 2022**

# ECA INTEGRATED SOLUTION BERHAD

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



## Interim Financial Report on Consolidated Results For the Fourth Quarter Ended 31 October 2022

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

|                                                                                                  | INDIVIDUAL QUARTER<br>3 MONTHS ENDED |                                      | CUMULATIVE QUARTER<br>12 MONTHS ENDED |                       |
|--------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------|-----------------------|
|                                                                                                  | 31/10/2022<br>RM '000                | 31/10/2021 <sup>(2)</sup><br>RM '000 | 31/10/2022<br>RM '000                 | 31/10/2021<br>RM '000 |
| Revenue                                                                                          | 7,861                                | N/A                                  | 27,530                                | 20,511                |
| Cost of sales                                                                                    | (3,423)                              | N/A                                  | (15,823)                              | (9,230)               |
| <b>Gross profit</b>                                                                              | <b>4,438</b>                         | <b>N/A</b>                           | <b>11,707</b>                         | <b>11,281</b>         |
| Other operating incomes                                                                          | 1,361                                | N/A                                  | 1,795                                 | 100                   |
| Selling and administrative expenses                                                              | (2,777)                              | N/A                                  | (5,412)                               | (3,182)               |
| <b>Profit/(loss) from operations</b>                                                             | <b>3,022</b>                         | <b>N/A</b>                           | <b>8,090</b>                          | <b>8,199</b>          |
| Interest income                                                                                  | 6                                    | N/A                                  | 8                                     | 3                     |
| Interest expense                                                                                 | (62)                                 | N/A                                  | (196)                                 | (196)                 |
| Net finance expenses                                                                             | (56)                                 | N/A                                  | (188)                                 | (193)                 |
| <b>Profit/(loss) before taxation</b>                                                             | <b>2,966</b>                         | <b>N/A</b>                           | <b>7,902</b>                          | <b>8,006</b>          |
| Tax expense                                                                                      | -                                    | N/A                                  | (96)                                  | 170                   |
| <b>Profit/(loss) for the financial period</b>                                                    | <b>2,966</b>                         | <b>N/A</b>                           | <b>7,806</b>                          | <b>8,176</b>          |
| <b>Other comprehensive income</b>                                                                | -                                    | N/A                                  | -                                     | -                     |
| <b>Total comprehensive income for<br/>the financial year</b>                                     | <b>2,966</b>                         | <b>N/A</b>                           | <b>7,806</b>                          | <b>8,176</b>          |
| <b>Net Profit / Total comprehensive<br/>income for the financial period<br/>attributable to:</b> |                                      |                                      |                                       |                       |
| Owners of the parent                                                                             | 2,966                                | N/A                                  | 7,806                                 | 8,176                 |
| Non-controlling interests                                                                        | -                                    | N/A                                  | -                                     | -                     |
|                                                                                                  | <b>2,966</b>                         | <b>N/A</b>                           | <b>7,806</b>                          | <b>8,176</b>          |
| Basic earning per share (sen) <sup>(3)</sup>                                                     | 0.69                                 | N/A                                  | 1.83                                  | 1.91                  |
| Diluted earning per share (sen) <sup>(4)</sup>                                                   | 0.69                                 | N/A                                  | 1.83                                  | 1.91                  |

# ECA INTEGRATED SOLUTION BERHAD

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



## Interim Financial Report on Consolidated Results For the Fourth Quarter Ended 31 October 2022

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### Notes:

- (1) *The Unaudited Condensed Consolidated 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 are presented as this is the second 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 Consolidated Results For the Fourth Quarter Ended 31 October 2022

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

|                                                     | (Unaudited)<br>As at<br>31/10/2022<br>RM '000 | (Audited)<br>As at<br>31/10/2021<br>RM '000 |
|-----------------------------------------------------|-----------------------------------------------|---------------------------------------------|
| <b>ASSETS</b>                                       |                                               |                                             |
| <b>Non-Current Assets</b>                           |                                               |                                             |
| Plant and equipment                                 | 974                                           | 1,039                                       |
| Right of use assets                                 | 1,661                                         | 1,444                                       |
| Deferred tax assets                                 | -                                             | 72                                          |
| <b>Total Non-Current Assets</b>                     | <b>2,635</b>                                  | <b>2,555</b>                                |
| <b>Current Assets</b>                               |                                               |                                             |
| Inventories                                         | 5,681                                         | 6,347                                       |
| Trade receivables                                   | 17,098                                        | 10,544                                      |
| Other receivables, deposits and prepayments         | 3,526                                         | 1,806                                       |
| Current tax asset                                   | 3                                             | 4                                           |
| Cash and bank balances                              | 6,918                                         | 4,996                                       |
| <b>Total Current Assets</b>                         | <b>33,226</b>                                 | <b>23,697</b>                               |
| <b>TOTAL ASSETS</b>                                 | <b>35,861</b>                                 | <b>26,252</b>                               |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b> |                                               |                                             |
| Share capital                                       | 17,100                                        | ^                                           |
| Invested equity                                     | -                                             | 1,000                                       |
| Merger reserve                                      | (16,100)                                      | -                                           |
| Retained profits                                    | 23,846                                        | 16,040                                      |
| <b>Total Equity</b>                                 | <b>24,846</b>                                 | <b>17,040</b>                               |
| <b>Non-Current Liabilities</b>                      |                                               |                                             |
| Bank borrowings                                     | 1,329                                         | 1,696                                       |
| Deferred taxation                                   | 23                                            | -                                           |
| Lease liabilities                                   | 926                                           | 923                                         |
| <b>Total Non-Current Liabilities</b>                | <b>2,278</b>                                  | <b>2,619</b>                                |
| <b>Current Liabilities</b>                          |                                               |                                             |
| Trade payables                                      | 1,498                                         | 3,757                                       |
| Other payables and accruals                         | 2,823                                         | 493                                         |
| Bank borrowings                                     | 4,020                                         | 1,989                                       |
| Lease liabilities                                   | 396                                           | 354                                         |
| <b>Total Current Liabilities</b>                    | <b>8,737</b>                                  | <b>6,593</b>                                |
| <b>TOTAL LIABILITIES</b>                            | <b>11,015</b>                                 | <b>9,212</b>                                |
| <b>TOTAL EQUITY &amp; LIABILITES</b>                | <b>35,861</b>                                 | <b>26,252</b>                               |
| Number of ordinary shares ('000)                    | 427,500                                       | 427,500                                     |
| Net assets per ordinary share (RM) <sup>(2)</sup>   | 0.06                                          | 0.04                                        |

# ECA INTEGRATED SOLUTION BERHAD

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



## Interim Financial Report on Consolidated Results For the Fourth Quarter Ended 31 October 2022

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### Notes:

- (1) *The basis of preparation of the Unaudited Consolidated 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 Consolidated Results For the Fourth Quarter Ended 31 October 2022

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

|                                                             | <u>Share<br/>Capital</u><br>RM '000 | <u>Invested<br/>Equity</u><br>RM '000 | <u>Merger<br/>Reserve</u><br>RM '000 | <u>Retained<br/>Profits</u><br>RM '000 | <u>Equity<br/>Owner of<br/>Parent</u><br>RM '000 | <u>Total<br/>Equity</u><br>RM '000 |
|-------------------------------------------------------------|-------------------------------------|---------------------------------------|--------------------------------------|----------------------------------------|--------------------------------------------------|------------------------------------|
| Balance as at 01 November 2021                              | ^                                   | 1,000                                 | -                                    | 16,040                                 | 17,040                                           | 17,040                             |
| Profit for the financial period                             | -                                   | -                                     | -                                    | 7,806                                  | 7,806                                            | 7,806                              |
| Other comprehensive income                                  | -                                   | -                                     | -                                    | -                                      | -                                                | -                                  |
| Total comprehensive income<br>for the financial year        | -                                   | -                                     | -                                    | 7,806                                  | 7,806                                            | 7,806                              |
| Contribution by and Distribution<br>to Owners of the parent |                                     |                                       |                                      |                                        |                                                  |                                    |
| - Acquisition of subsidiary                                 | 17,100                              | (1,000)                               | (16,100)                             | -                                      | -                                                | -                                  |
| Total Transaction with Owners<br>of the parent              | 17,100                              | (1,000)                               | (16,100)                             | -                                      | -                                                | -                                  |
| <b>Balance as at 31 October 2022</b>                        | <b>17,100</b>                       | <b>-</b>                              | <b>(16,100)</b>                      | <b>23,846</b>                          | <b>24,846</b>                                    | <b>24,846</b>                      |

#### Notes:

<sup>(1)</sup> The basis of preparation of the Unaudited Condensed Consolidated 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> ^ - denote RM9.00

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(Company No. 202101031471 (1431771-P))  
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## Interim Financial Report on Consolidated Results For the Fourth Quarter Ended 31 October 2022

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

|                                                                         | (Unaudited)<br>Current<br>Year to Date<br>31/10/2022<br>RM '000 | (Audited)<br>Preceding<br>Corresponding<br>Year to Date<br>31/10/2021<br>RM '000 |
|-------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------------------------|
| <b>Cash flows from operating activities</b>                             |                                                                 |                                                                                  |
| Profit before taxation                                                  | 7,902                                                           | 8,007                                                                            |
| Adjustment for:-                                                        |                                                                 |                                                                                  |
| Depreciation of plant and equipment                                     | 157                                                             | 167                                                                              |
| Depreciation of right of use assets                                     | 247                                                             | 184                                                                              |
| Gain on disposal of plant and equipment                                 | -                                                               | (79)                                                                             |
| Interest expense                                                        | 196                                                             | 196                                                                              |
| Interest income                                                         | (8)                                                             | (3)                                                                              |
| Unrealised gain on foreign exchange                                     | (1,423)                                                         | (11)                                                                             |
| <b>Operating profit before working capital</b>                          | <b>7,071</b>                                                    | <b>8,461</b>                                                                     |
| Net changes in inventories                                              | 666                                                             | (5,648)                                                                          |
| Net changes in trade and other receivables                              | (7,082)                                                         | (1,796)                                                                          |
| Net changes in trade and other payables                                 | 71                                                              | 25                                                                               |
| <b>Cash flows for operations</b>                                        | <b>726</b>                                                      | <b>1,042</b>                                                                     |
| Interest paid                                                           | (196)                                                           | (196)                                                                            |
| Interest received                                                       | 8                                                               | 3                                                                                |
| Tax refund                                                              | 1                                                               | (4)                                                                              |
| <b>Net cash generated from operating activities</b>                     | <b>539</b>                                                      | <b>845</b>                                                                       |
| <b>Cash flows from investing activities</b>                             |                                                                 |                                                                                  |
| Purchase of plant and equipment                                         | (92)                                                            | (259)                                                                            |
| Purchase of right of use assets                                         | (48)                                                            | (142)                                                                            |
| Proceed from disposal of plant and equipment                            | -                                                               | 340                                                                              |
| <b>Net cash used in investing activities</b>                            | <b>(140)</b>                                                    | <b>(61)</b>                                                                      |
| <b>Cash flows from financing activities</b>                             |                                                                 |                                                                                  |
| Drawdown of borrowings                                                  | 1,664                                                           | 1,884                                                                            |
| Repayment of other payable                                              | -                                                               | (1,746)                                                                          |
| Repayment of lease liabilities                                          | (371)                                                           | (156)                                                                            |
| <b>Net cash from/(used) in financing activities</b>                     | <b>1,293</b>                                                    | <b>(18)</b>                                                                      |
| <b>Net increase in cash and cash equivalents</b>                        | <b>1,692</b>                                                    | <b>766</b>                                                                       |
| Effect of exchange rate changes                                         | 230                                                             | -                                                                                |
| Cash and cash equivalents<br>at the beginning of the financial period   | 4,996                                                           | 4,230                                                                            |
| <b>Cash and cash equivalents<br/>at the end of the financial period</b> | <b>6,918</b>                                                    | <b>4,996</b>                                                                     |

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## Interim Financial Report on Consolidated Results For the Fourth Quarter Ended 31 October 2022

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

|                                  | (Unaudited)<br>Current<br>Year to Date<br>31/10/2022<br>RM 000 | (Audited)<br>Preceding<br>Corresponding<br>Year to Date<br>31/10/2021<br>RM 000 |
|----------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------------|
| <b>Cash and cash equivalents</b> |                                                                |                                                                                 |
| Cash and bank balances           | 6,918                                                          | 4,996                                                                           |
| Bank overdrafts                  | -                                                              | -                                                                               |
|                                  | <b>6,918</b>                                                   | <b>4,996</b>                                                                    |

#### Note:

<sup>(1)</sup> *The basis of preparation of the Unaudited Condensed Consolidated 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.*



# ECA INTEGRATED SOLUTION BERHAD

(Company No. 202101031471 (1431771-P))  
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## Interim Financial Report on Consolidated Results For the Fourth Quarter Ended 31 October 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 second interim financial report on the Group’s unaudited condensed consolidated financial statements for the fourth quarter ended 31 October 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

# ECA INTEGRATED SOLUTION BERHAD

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



## Interim Financial Report on Consolidated Results For the Fourth Quarter Ended 31 October 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 Consolidated Results For the Fourth Quarter Ended 31 October 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

12 months ended 31 October 2022

|                            | Investment Holding<br>RM '000 | Manufactur-ing<br>RM '000 | Total<br>RM '000 | Eliminat-ion<br>RM '000 | Consolidated<br>Total<br>RM '000 |
|----------------------------|-------------------------------|---------------------------|------------------|-------------------------|----------------------------------|
| Revenue                    |                               |                           |                  |                         |                                  |
| External sales             | -                             | 27,530                    | 27,530           | -                       | 27,530                           |
| - Malaysia                 | -                             | 9,840                     | 9,840            | -                       | 9,840                            |
| - Outside Malaysia         | -                             | 17,690                    | 17,690           | -                       | 17,690                           |
|                            | -                             | <b>27,530</b>             | <b>27,530</b>    | -                       | <b>27,530</b>                    |
| Segmental result           | (711)                         | 8,801                     | 8,090            | -                       | 8,090                            |
| Interest expense           | -                             | (196)                     | (196)            | -                       | (196)                            |
| Interest income            | -                             | 8                         | 8                | -                       | 8                                |
| Profit before taxation     | (711)                         | 8,613                     | 7,902            | -                       | 7,902                            |
| Tax expenses               |                               |                           | (96)             | -                       | (96)                             |
| <b>Profit for the year</b> |                               |                           | <b>7,806</b>     | -                       | <b>7,806</b>                     |

# ECA INTEGRATED SOLUTION BERHAD

(Company No. 202101031471 (1431771-P))  
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## Interim Financial Report on Consolidated Results For the Fourth Quarter Ended 31 October 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 financial year’s corresponding quarter are available as this is the second 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<br/>As at<br/>31/10/2022<br/>RM '000</b> |
|-------------------------------------------------|-------------------------------------------------------|
| Secured performance guarantee given to customer | <u>176</u>                                            |

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## Interim Financial Report on Consolidated Results For the Fourth Quarter Ended 31 October 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<br/>As at<br/>31/10/2022<br/>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             | 373,000                   |

##### A15 DISCLOSURE OF DERIVATIVES

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

# ECA INTEGRATED SOLUTION BERHAD

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## Interim Financial Report on Consolidated Results For the Fourth Quarter Ended 31 October 2022

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

#### B1 REVIEW OF PERFORMANCE

|                        | Current Quarter<br>3 Months Ended |                       |              | Cumulative Quarter<br>Financial Year-To-Date |                       |              |
|------------------------|-----------------------------------|-----------------------|--------------|----------------------------------------------|-----------------------|--------------|
|                        | 31/10/2022<br>RM '000             | 31/10/2021<br>RM '000 | Changes<br>% | 31/10/2022<br>RM '000                        | 31/10/2021<br>RM '000 | Changes<br>% |
| Revenue                | 7,861                             | N/A                   | N/A          | 27,530                                       | 20,511                | 34.2%        |
| Profit before taxation | 2,966                             | N/A                   | N/A          | 7,902                                        | 8,006                 | -1.3%        |

The Group recorded revenue and profit before taxation (“PBT”) of RM7.86 million and RM2.97 million respectively for the current quarter under review.

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

For the cumulative quarter under review, our revenue increased by RM7.02 million or 34.2% to RM27.53 million while PBT had slightly decreased by RM0.10 million or 1.3% to RM7.90 million as compared to the preceding year. The declined in PBT was mainly impacted by higher employees’ compensation and benefits expenses arising from increased employees headcounts coupled with hike in administrative expenses due to the gradual resumption of advertising and marketing activities after the easing of COVID-19 related travel restrictions and non-recurring expenses incurred in relation to the listing exercise.

Overall, 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.

#### B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER

|                        | Current<br>Quarter<br>31/10/2022<br>RM '000 | Immediate<br>Preceding<br>Quarter<br>31/07/2022<br>RM '000 | Changes<br>% |
|------------------------|---------------------------------------------|------------------------------------------------------------|--------------|
|                        | Revenue                                     | 7,861                                                      | 10,025       |
| Profit before taxation | 2,966                                       | 3,332                                                      | -11.0%       |

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

#### **B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER (Cont'd)**

The Group recorded a decreased in revenue to RM7.86 million or 21.6% as compared to RM10.03 million for the immediate preceding quarter. This was mainly due to the lower number of deliveries for integrated production systems and the standalone automation equipment during the current quarter under review.

The Group's PBT dropped by 11.0% to RM2.97 million compared to RM3.33 million, in line with the decreased in revenue during the current quarter under review.

#### **B3 PROSPECTS**

Despite global economic uncertainties brought on by conflicts in Ukraine, disruptions in the global supply chain, periodic lockdowns under China's zero COVID policy as well as tightening of monetary conditions by international authorities, the Group has maintained its optimism about development in its core businesses.

The US-China trade tension and the conflict in Ukraine have caused rising number of companies began relocating their manufacturing operations to other strategic locations. The Group is confident in our ability to deal with the present economic uncertainties and volatility in the global supply chain, which led to extended project turnaround times and had an impact on the Group's operational efficiency and margins. Continuous worldwide supply chain disruption mitigation measures, such as applying price management techniques and setting up inventory levels, have been used in order to track economic difficulties.

The Minimum Wages Order 2022 further increase the cost of labour and expands the number of jobs that are vulnerable to automation, did not dissuade the Group from being optimistic about revenue growth. To fulfil market expectations, the Group is also exploring new technologies.

Consequently, the Group continues to see strong demand growth and promising futures for automated manufacturing solutions for the Company.

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

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

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

#### B5 TAX EXPENSE

|                                                  | Current<br>Quarter<br>RM '000 | Cumulative<br>Quarter<br>RM '000 |
|--------------------------------------------------|-------------------------------|----------------------------------|
| Income tax expenses:                             |                               |                                  |
| Current financial period                         | -                             | (1)                              |
| Movement in deferred tax:                        |                               |                                  |
| Relating to origination of temporary differences | -                             | (95)                             |
| <b>Total tax expense</b>                         | <b>-</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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### 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 IPO was completed on 23 November 2022 with the Company's enlarged issued share capital comprising 577,500,225 shares were listed on the ACE Market of Bursa Securities.

#### 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<br/>timeframe for the<br/>utilisation upon<br/>listing</b> | <b>Proposed<br/>Utilisation<br/>RM '000</b> | <b>Actual<br/>Utilisation<br/>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. The IPO was pending completion as at the current financial quarter under review, and hence there is no utilisation of IPO proceeds. Subsequently, the Company was officially listed on the ACE Market of Bursa Securities on 23 November 2022.

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### 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<br>As at<br>31/10/2022<br>RM '000 | Audited<br>As at<br>31/10/2021<br>RM '000 |
|--------------------------------|---------------------------------------------|-------------------------------------------|
| <b>Current liabilities</b>     |                                             |                                           |
| Bankers' acceptance            | 3,645                                       | 1,555                                     |
| Letter of credit               | -                                           | 40                                        |
| Term loans                     | 375                                         | 374                                       |
| Trust receipt                  | -                                           | 20                                        |
|                                | <b>4,020</b>                                | <b>1,989</b>                              |
| <b>Non-Current liabilities</b> |                                             |                                           |
| Term loans                     | 1,329                                       | 1,696                                     |
|                                | <b>1,329</b>                                | <b>1,696</b>                              |
| <b>Total borrowings</b>        | <b>5,349</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.

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

#### B11 EARNINGS PER SHARE

|                                                       | Current Quarter<br>3 Months Ended |                           | Cumulative Quarter<br>Current Year-to-Date |            |
|-------------------------------------------------------|-----------------------------------|---------------------------|--------------------------------------------|------------|
|                                                       | 31/10/2022                        | 31/10/2021 <sup>(1)</sup> | 31/10/2022                                 | 31/10/2021 |
| Profit attributable to owners of the Company (RM'000) | 2,966                             | N/A                       | 7,806                                      | 8,176      |
| Weighted average number of Shares in issue ('000)     | 427,500                           | N/A                       | 427,500                                    | 427,500    |
| Basic EPS (sen) <sup>(2)</sup>                        | 0.69                              | N/A                       | 1.83                                       | 1.91       |
| Diluted EPS (sen) <sup>(2)</sup>                      | 0.69                              | N/A                       | 1.83                                       | 1.91       |

#### Notes:

- (1) This is the second interim financial report announced in compliance with the Listing Requirements. There are no available comparative figures for the preceding corresponding quarter 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<br>Quarter<br>31/10/2022<br>RM '000 | Cumulative<br>Quarter<br>31/10/2022<br>RM '000 |
|-------------------------------------|---------------------------------------------|------------------------------------------------|
| Depreciation of plant and equipment | 41                                          | 157                                            |
| Depreciation of right of use assets | 72                                          | 247                                            |
| Interest expense                    | 62                                          | 196                                            |
| Interest income                     | (6)                                         | (8)                                            |

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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)

|                                   | Current<br>Quarter<br>31/10/2022<br>RM '000 | Cumulative<br>Quarter<br>31/10/2022<br>RM '000 |
|-----------------------------------|---------------------------------------------|------------------------------------------------|
| Gain in foreign currency exchange |                                             |                                                |
| - Realised                        | (370)                                       | (370)                                          |
| - Unrealised                      | (989)                                       | (1,423)                                        |
|                                   | <u>          </u>                           | <u>          </u>                              |

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.

**By Order of the Board**

Ang Chee Hwai (MAICSA 7030659)  
Company Secretary  
Penang