



BABA ECO GROUP BERHAD

Registration No. 201801006952 (1268966-W)
(Incorporated in Malaysia under the Companies Act, 2016)

UNAUDITED FINANCIAL STATEMENTS FOR THE 2ND HALF YEAR ENDED 31 OCTOBER 2023 (“2HFY23”)

**(APPENDIX 6A, PART A OF THE LEAP MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD)**

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY BABA ECO GROUP BERHAD (“BABA ECO” OR THE “COMPANY”). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾
AS AT 31 OCTOBER 2023

	Unaudited 31.10.2023 RM'000	Audited 31.10.2022 RM'000
Non-Current Assets		
Property, plant and equipment ("PPE")	35,917	36,637
Right-of-use assets ("ROU")	4,151	4,262
Deferred tax asset	52	29
Fixed deposit with a licensed bank	631	620
	40,751	41,548
Current Assets		
Inventories	4,116	6,698
Trade receivables	5,503	6,402
Other receivables	1,122	890
Tax recoverable	463	129
Other investments	9,348	3,181
Fixed deposit with licensed banks	3,895	-
Cash and bank balances	12,023	14,773
	36,470	32,073
TOTAL ASSETS	77,221	73,621
Equity		
Share capital	23,237	23,237
Merger deficit	(18,822)	(18,822)
Foreign currency translation reserve	(9)	-
Retained earnings	52,421	50,670
	56,827	55,085
Non-controlling interest ("NCI")	538	544
Total Equity	57,365	55,629
Non-Current Liabilities		
Lease liabilities	1,389	1,908
Borrowings	4,600	1,240
Other payable	1,784	-
Amount due to a Director	1,734	1,883
Amount due to a Director of a subsidiary	-	1,883
Deferred tax liabilities	3,572	3,289
	13,079	10,203
Current Liabilities		
Lease liabilities	1,207	1,249
Borrowings	2,372	2,797
Trade payables	1,182	1,321
Other payables	1,762	1,829
Contract liabilities	137	209
Amount due to Directors	117	79
Amount due to Directors of subsidiaries	-	235
Tax payable	-	70
	6,777	7,789
Total Liabilities	19,856	17,992
TOTAL EQUITY AND LIABILITIES	77,221	73,621
Net assets per ordinary share attributable to owners of Baba Eco ⁽²⁾ (sen)	25.29	24.51

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾
AS AT 31 OCTOBER 2023
(cont'd)

Notes:

- (1) *The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 October 2022 (“FYE 2022”) and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Net assets per share is calculated based on the Company's number of ordinary shares at the end of the reporting period of 224,720,020 shares as at 31 October 2023.*

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME ⁽¹⁾
FOR THE 2ND HALF ENDED AND FINANCIAL YEAR ENDED 31 OCTOBER 2023**

	Individual 6 months ended		Cumulative 12 months ended	
	Unaudited 31.10.2023 RM'000	Unaudited 31.10.2022 RM'000	Unaudited 31.10.2023 RM'000	Audited 31.10.2022 RM'000
Revenue	17,088	20,550	33,905	46,454
Cost of sales	(9,769)	(12,012)	(18,772)	(26,164)
Gross profit	7,319	8,538	15,133	20,290
Other income	1,139	1,452	1,472	1,784
Selling and distribution expenses	(1,729)	(2,203)	(3,301)	(4,577)
Administrative expenses	(4,399)	(4,053)	(8,915)	(9,430)
Other expenses	(89)	22	(93)	(8)
Net impairment (loss)/gain on financial assets	(47)	-	(47)	23
Profit from operations	2,194	3,756	4,249	8,082
Finance income	118	23	163	24
Finance costs	(810)	(727)	(1,017)	(904)
Profit before tax	1,502	3,052	3,395	7,202
Tax expenses	(636)	(826)	(1,162)	(1,709)
Profit after tax	866	2,226	2,233	5,493
Other comprehensive income, net of tax	(1)	-	(20)	-
Total comprehensive income for the financial year	865	2,226	2,213	5,493
Profit attributable to owners of Baba Eco				
- Owners of Baba Eco	1,086	2,199	2,493	5,394
- NCI	(220)	27	(260)	99
	866	2,226	2,233	5,493
Total comprehensive income attributable to owners of Baba Eco				
- Owners of Baba Eco	1,086	2,199	2,484	5,394
- NCI	(221)	27	(271)	99
	865	2,226	2,213	5,493
Earnings per share attributable to owners of Baba Eco:				
- Basic ⁽²⁾ (sen)	0.48	0.98	1.11	2.40
- Diluted ⁽²⁾ (sen)	N/A	N/A	N/A	N/A

Notes:

(1) The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the FYE 2022 and the accompanying explanatory notes attached to this interim financial report.

(2) Kindly refer to Note C5 for further details.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾
FOR THE 2ND HALF ENDED AND FINANCIAL YEAR ENDED 31 OCTOBER 2023
(UNAUDITED)

	Share capital RM'000	Merger deficit RM'000	Retained earnings RM'000	Foreign currency translation reserve RM'000	NCI RM'000	Total equity RM'000
At 1.11.2021	23,237	(18,822)	46,781	-	445	51,641
Total comprehensive income for the financial year	-	-	5,394	-	99	5,493
<i>Transaction with owners: -</i>						
Dividend	-	-	(1,505)	-	-	(1,505)
At 31.10.2022/ 1.11.2022	23,237	(18,822)	50,670	-	544	55,629
Total comprehensive income for the financial year	-	-	2,493	-	(260)	2,233
Translation reserve	-	-	-	(9)	(11)	(20)
<i>Transactions with owners: -</i>						
Incorporation of subsidiary	-	-	-	-	175	175
Contribution paid on behalf of NCI	-	-	-	-	90	90
Dividend	-	-	(742)	-	-	(742)
At 31.10.2023	23,237	(18,822)	52,421	(9)	538	57,365

Note:

(1) The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the FYE 2022 and the accompanying explanatory notes attached to this interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾
FOR THE 2ND HALF ENDED AND FINANCIAL YEAR ENDED 31 OCTOBER 2023

	12 months ended	
	Unaudited 31.10.2023 RM'000	Audited 31.10.2022 RM'000
	<u>NOTE</u>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,395	7,202
<u>Adjustments for:</u>		
Unrealised gain on foreign exchange	(369)	(745)
Depreciation of PPE	1,270	1,159
Depreciation of ROU	904	634
Written off of property, plant and equipment	-	8
Loss on disposal of property, plant and equipment	3	-
Gain on disposal of right of use asset	(19)	-
Modification of lease contract	*	-
Gain on early termination of lease liabilities	(2)	-
Impairment loss of goodwill on consolidation	90	-
Interest income	(163)	(24)
Interest expenses	543	382
Fair value gain on other investments	(167)	(69)
Allowance/(Reversal) for expected credit loss ("ECLs") on receivables	47	(23)
Unwinding of discount on loan from other payable	20	-
Unwinding of discount on loan from a Director and a Director of a subsidiary	454	522
	<hr/>	<hr/>
Operating profit before working capital changes	6,006	9,046
Decrease in inventories	2,586	394
Decrease in trade and other receivables	734	5,749
Decrease in trade and other payables	(373)	(3,841)
Decrease in contract liabilities	(72)	(547)
	<hr/>	<hr/>
Cash generated from operations	8,881	10,801
Tax paid	(1,306)	(2,800)
	<hr/>	<hr/>
Net cash from operating activities	<u>7,575</u>	<u>8,001</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	152	24
Purchase of property, plant and equipment	(551)	(9,450)
(Placement)/withdrawal of other investments	(6,000)	1,579
Placement of fixed deposit	(3,743)	(11)
Proceeds from disposal of right of use asset	152	-
Proceeds from disposal of property, plant and equipment	*	-
	<hr/>	<hr/>
Net cash used in investing activities	<u>(9,990)</u>	<u>(7,858)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 2ND HALF ENDED AND FINANCIAL YEAR ENDED 31 OCTOBER 2023
(cont'd)

	12 months ended	
	Unaudited 31.10.2023 RM'000	Audited 31.10.2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	3,898	-
Repayment of term loans	(311)	(167)
Drawdown of banker's acceptance	6,234	11,665
Repayment of banker's acceptance	(6,884)	(13,121)
Net cash flow from incorporation of subsidiary from NCI	175	-
Placement of fixed deposit	(11)	-
Interest paid	(543)	(382)
Interest received	11	-
Dividends paid	(742)	(1,505)
Repayments to a Director	(348)	(429)
Repayments to a Director of subsidiary	(442)	(259)
Repayments of lease liabilities/finance lease liabilities	(1,486)	(1,058)
	(449)	(5,256)
Net cash used in financing activities		
Net changes in cash and cash equivalents	(2,864)	(5,113)
Effects of foreign exchange	114	622
Cash and cash equivalents at beginning of the financial year	14,773	19,264
Cash and cash equivalents at end of the financial year	A 12,023	14,773
A. Cash and cash equivalents comprise the following:		
Cash and bank balances	12,023	14,773
Fixed deposits with licensed banks	4,526	620
	16,549	15,393
Less: Fixed deposits with maturity more than 3 months	(3,895)	-
Less: Fixed deposits pledged with a licensed bank	(631)	(620)
	12,023	14,773

* Amount below RM1,000

Note:

(1) The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the FYE 2022 and the accompanying explanatory notes attached to this interim financial report.

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SECTION A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A1. BASIS OF PREPARATION

The condensed consolidated interim financial statements as contained in this interim financial report are unaudited and have been prepared under the historical cost convention except otherwise stated.

These unaudited interim financial statements have been prepared in accordance with the requirements of MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and Part C, Rule 6.12 and Part A, Appendix 6A of the LEAP Market Listing Requirements (“LEAP LR”) issued by Bursa Malaysia Securities Berhad (“Bursa Securities”).

These unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 October 2022 and the accompanying explanatory notes attached to this interim financial report. The explanatory notes contained herein provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 October 2022.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied in the preparation of these unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 October 2022, except for the adoption of the following MFRSs and Amendments to MFRSs as disclosed below:

Effective for annual periods commencing on or after 1 January 2023

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information
- Amendments to MFRS 101 and MFRS Practice Statement 2 Disclosure of Accounting Policies
- Amendments to MFRS 108 Definition of Accounting Estimates
- Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to MFRS 112 International Tax Reform – Pillar Two Model Rules

The adoption of the above MFRSs and Amendments to MFRSs did not have any significant financial impact to the Group.

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A2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The following MFRSs and Amendments to MFRSs have been issued by the MASB but are not early adopted by the Group:

Effective for annual financial periods beginning on or after 1 January 2024

- Amendments to MFRS 16 Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 Non-current Liabilities with Covenants
- Amendments to MFRS 101 Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements

Effective for annual financial periods beginning on or after 1 January 2025

- Amendments to MFRS 121 Lack of Exchangeability

Deferred (date to be determined by MASB)

- Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group is in the process of assessing the impact of implementing these accounting standards and amendments, since the effects would only be observable for the future financial years.

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the Group's most recent annual audited financial statements for the financial year ended 31 October 2022 were not subject to any qualification.

A4. SEASONALITY OR CYCLICALITY OF OPERATION

Generally, our Group's business is not subjected to any anomalous cyclical or seasonal trend.

A5. UNUSUAL ITEMS

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the semi-annual period and financial year ended 31 October 2023.

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A6. MATERIAL CHANGES IN ESTIMATES

There were no significant changes in estimates of amounts reported in prior financial years that have a material impact on the semi-annual period and financial year ended 31 October 2023.

A7. DEBTS AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the semi-annual period and financial year under review.

A8. SEGMENT INFORMATION

Our Group is an integrated gardening supplies provider under our proprietary brand name “Baba”. Through our subsidiaries, we are primarily involved in:

- (i) The manufacturing and trading of a diversified range of eco-friendly biodegradable plastic flower pots and planting media;
- (ii) The processing and trading of organic fertilisers and natural pesticides; and
- (iii) The trading of a diversified range of gardening accessories, seeds and agricultural produce.

There is no change to the principal activities of the Group during the financial year under review.

The reportable segments are summarised as follows:

Manufacturing	:	Manufacturing and trading of biodegradable flower pots, planting media and other plastic-injection-moulding products
Merchandising	:	Processing and trading of organic fertilisers and natural pesticides, as well as trading of gardening accessories, seeds and agricultural products

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A8. SEGMENT INFORMATION (cont'd)

	Manufacturing	Merchandising	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Results					
Interest income	100	63	-	-	163
Interest expenses	(339)	(204)	-	-	(543)
Depreciation	(816)	(454)	-	-	(1,270)
ROU depreciation	(414)	(490)	-	-	(904)
Other non-cash (expense)/income	53	(114)	4	-	(57)
Tax expense	(550)	(612)	-	-	(1,162)
Segment profit/(loss)	2,809	1,332	108	(1,162)	3,087
Additions to non-current assets consists of: -					
Addition to PPE	258	293	-	-	551
Addition to ROU	212	803	-	-	1,015
Tax recoverable	74	357	32	-	463
Deferred tax assets	-	52	-	-	52
Segment assets	62,937	14,060	23,216	(23,507)	76,706
Deferred tax liabilities	3,572	-	-	-	3,572
Segment liabilities	14,825	2,500	22	(1,063)	16,284

Other material non-cash income/(expense):

	Manufacturing	Merchandising	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Loss on disposal of PPE	(2)	(1)	-	-	(3)
Gain on disposal of ROU	13	6	-	-	19
Gain on early termination of lease contracts	1	1	-	-	2
Loss on modification of lease contracts	*	*	-	-	*
Fair value gain on other investments	110	53	4	-	167
Unrealised foreign exchange gain	244	125	-	-	369
Allowance of ECLs on receivables	-	(50)	-	-	(50)
Reversal of ECLs on receivables	-	3	-	-	3
Impairment of goodwill on consolidation	-	(90)	-	-	(90)
Unwinding of discount on loan from other payable	(13)	(7)	-	-	(20)
Unwinding of discount on Directors' loan	(300)	(154)	-	-	(454)
	53	(114)	4	-	(57)

* Amount below RM1,000

A8. SEGMENT INFORMATION (cont'd)

Geographical information

Segment revenue is based on geographical location from which the sales transactions originated. The following are revenue from external customers by geographical location:

	Individual 6 months ended				Cumulative 12 months ended			
	Unaudited		Unaudited		Unaudited		Audited	
	31.10.2023		31.10.2022		31.10.2023		31.10.2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Local								
Malaysia	13,335	78.03	16,630	80.92	27,098	79.92	37,796	81.36
Overseas								
Southeast Asia	2,354	13.78	2,562	12.47	4,482	13.22	5,939	12.79
Others	1,399	8.19	1,358	6.61	2,325	6.86	2,719	5.85
	3,753	21.97	3,920	19.08	6,807	20.08	8,658	18.64
Total	17,088	100.00	20,550	100.00	33,905	100.00	46,454	100.00

A9. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

There were no material events subsequent to the end of financial period under review that have not have been reflected in this interim financial report.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

The Group had on 14 November 2022, subscribed for 45% of the total equity interest in Baba Eco (Thailand) Co., Ltd. ("BETC") at the total cash consideration of RM142,816 (equivalent to Thai Baht 1,034,900). The Group considers BETC a subsidiary notwithstanding the total equity interest held is less than 50% as the Group is having control over the board composition, and the power to govern the financial and operating policies, of BETC.

The Group had on 23 March 2023, subscribed for 40% of the total equity interest in The Nineties Organic Sdn. Bhd. ("TNO") at the total cash consideration of RM150,000. The Group considers TNO a subsidiary notwithstanding the total equity interest held is less than 50% as the Group is having majority voting rights, and the power to govern the financial and operating policies, of TNO.

Save for the above, there were no other material events subsequent to the end of financial period under review that have not been reflected in this interim financial report and/or announced to Bursa Securities.

A11. CHANGES IN CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingent assets and contingent liabilities as at the date of this report.

A12. CAPITAL COMMITMENTS

Our Group's capital commitments in respect of property, plant and equipment which were not provided in the financial statements as at 31 October 2023 are as follows:

	RM'000
In respect of property, plant and equipment:	
- Contracted but not provided for	<u>2,416</u>

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SECTION B - ADDITIONAL INFORMATION REQUIRED BY THE LEAP MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. REVIEW OF PERFORMANCE

Revenue

	Individual 6 months ended				Cumulative 12 months ended			
	Unaudited		Unaudited		Unaudited		Audited	
	31.10.2023		31.10.2022		31.10.2023		31.10.2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing ⁽¹⁾	11,483	67.20	14,489	70.51	22,448	66.21	32,922	70.87
Merchandising ⁽²⁾	5,605	32.80	6,061	29.49	11,457	33.79	13,532	29.13
Total	17,088	100.00	20,550	100.00	33,905	100.00	46,454	100.00

Notes:

- (1) Consist of revenue derived from manufacturing of biodegradable flower pots, planting media and other plastic-injection-moulding products.
- (2) Consist of revenue derived from processing and trading of organic fertilisers and natural pesticides, as well as trading of gardening accessories, seeds and agricultural produce.

The Group recorded total revenue of RM17.09 million for the semi-annual period ended 31 October 2023 ("2HFY23"), decreased by RM3.46 million or 16.8% when compared to the Group's revenue of RM20.55 million for the corresponding period in preceding financial year.

The Group has recorded lower total revenue of RM33.91 million for financial year ended 31 October 2023 ("FYE 2023"), decreased by RM12.54 million or 27.0% when compared to the Group's revenue of RM46.45 million for the corresponding financial year.

The decrease in revenue from both manufacturing and merchandising segments when compared to the corresponding financial period and financial year, was mainly due to:

- (i) demands from consumers towards gardening products and accessories decreased against the backdrop of an inflationary environment which led to reduces in purchasing power of the consumers;
- (ii) reduced export orders from overseas customers were due to global inflationary pressures and economic slowdown which softer demands from consumers.

Profit before tax

The Group recorded a profit before tax ("PBT") of RM1.50 million for the 2HFY23, which is a decrease of RM1.55 million or 50.82% when compared to the corresponding period in the preceding financial year. The Group recorded lower PBT in 2HFY23 as compared to 2HFY22 mainly due to:

- (i) lower revenue recorded in 2HFY23
- (ii) lower other income attributable to lower foreign exchange gain
- (iii) higher Group's administrative expenses attributed to start-up and operating expenses such as rentals and personnel costs incurred by the Group's operation in Thailand.

The Group recorded a PBT of RM3.40 million for the FYE 2023, a decrease of RM3.80 million or 52.8% when compared to the FYE2022. Lower PBT was mainly contributed by lower revenue achieved during FYE 2023; coupled with reason as explained above.

B1. REVIEW OF PERFORMANCE (cont'd)

Tax expense

The Group recorded higher effective tax rate, as compared to statutory tax, for the 2HFY23 and FYE 2023 respectively mainly due to non-deductible expenses of the operating subsidiaries.

B2. PROSPECTS

To drive revenue growth, the Group will continue to explore more sales channel and develop broader range of organic products such as household pest prevention products cater for consumers' needs. Revamping works on at our counters were carried out gradually by the Group to enhance the Group's brand awareness and fresh shopping experience to the consumers. The Group will also allocate more resources in expanding farmer market as we have seen promising growth in this sector and sustainability awareness is increasing. With regards to overseas markets, South East Asia region remained the main focus on the Group, the Group is proactively seeking opportunities to meet prospects customers and partners, at the same time, offer wider range of our products such as organic fertilizers and repellent to these markets.

Starting from the third quarter of the current financial year, our Indo-China distribution hub has managed to secure sales orders and successfully distributed our products to the Thailand and the neighbouring countries. The Group will continue to expand its customers base in the region by proactively seeking opportunities and meeting prospect buyers to secure more sales orders to increase sales revenue to contribute positively to the Group.

Internally, the Group continue to focus on effective cost management and supply chain management to drive operational efficiencies at our existing manufacturing bases of the Group. The Group also continually reviews and take steps to turn around the performance of underperforming assets to enable these assets to reach its full potential.

The Group expect the business environment to be challenging due to the prolonged geopolitical tensions and elevated inflation which affecting the consumer demands. Nevertheless, the Board of Directors is optimistic on the Group's prospects as the public is embracing Environmental, Social and Governance (ESG), which the Group's activities and products are closely aligned with the trend.

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SECTION C - OTHER INFORMATION

C1. STATUS OF CORPORATE PROPOSAL

There was no corporate proposal announced but pending completion as at the date of this report.

C2. UTILISATION OF PROCEEDS

The status of the utilisation of proceeds from the Excluded Issue of RM3.58 million is as follows:

Purpose	Proposed utilisation RM'000	Actual utilisation⁽¹⁾ RM'000	Balance RM'000	Estimated timeframe for utilisation upon listing
Capital expenditure	1,500	1,500	-	Fully utilised
R&D expenditure	500	47	453	By 20 July 2023
Overseas expansion	500	500	-	Fully utilised
Purchase of production equipment	800	800	-	Fully utilised
Working capital	275	275	-	Fully utilised
Total	3,575	3,122	453	

Note:

(1) Status of utilisation as at 20.12.2023.

C3. MATERIAL LIGATION

There is no material litigation pending as at the date of this report.

C4. DIVIDEND

On 29 December 2023, the Board declared an interim dividend of 0.19 sen per share on 224,720,020 shares amounting to RM426,968 in respect of the financial year ended 31 October 2023. The entitlement date for the interim dividend is 10 January 2024 and will be paid on 18 January 2024.

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C5. EARNINGS PER SHARE

Basic Earnings per Share (“BEPS”)

	Individual 6 months ended		Cumulative 12 months ended	
	31.10.2023	31.10.2022	31.10.2023	31.10.2022
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of Baba Eco	1,086	2,199	2,493	5,394
Weighted average number of ordinary shares in issue ('000)	224,720	224,720	224,720	224,720
BEPS (sen)	0.48	0.98	1.11	2.40

Diluted Earnings per Share (“DEPS”)

No diluted earnings per share is disclosed as the Company does not have any dilutive potential ordinary shares (such as options or convertible instruments) in issues as at 31 October 2023.

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