



## **BABA ECO GROUP BERHAD**

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

### **UNAUDITED FINANCIAL STATEMENTS FOR THE 2<sup>ND</sup> HALF YEAR ENDED 31 OCTOBER 2024 (“2HFY24”)**

**(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 <sup>(1)</sup>**  
**AS AT 31 OCTOBER 2024**

	<b>Unaudited</b> <b>31.10.2024</b> <b>RM'000</b>	<b>Audited</b> <b>31.10.2023</b> <b>RM'000</b>
<b>Non-Current Assets</b>		
Property, plant and equipment ("PPE")	38,964	35,917
Right-of-use assets ("ROU")	2,669	4,151
Fixed deposit with a licensed bank	647	631
Deferred tax asset	43	52
	<b>42,323</b>	<b>40,751</b>
<b>Current Assets</b>		
Inventories	3,866	4,145
Trade receivables	4,816	5,503
Other receivables	694	1,134
Tax recoverable	533	463
Other investments	12,772	9,348
Fixed deposit with licensed banks	1,390	3,895
Cash and bank balances	8,581	12,023
	<b>32,652</b>	<b>36,511</b>
<b>TOTAL ASSETS</b>	<b>74,975</b>	<b>77,262</b>
<b>Equity</b>		
Share capital	23,237	23,237
Merger deficit	(18,822)	(18,822)
Foreign currency translation reserve	(8)	(9)
Retained earnings	52,992	52,444
	57,399	56,850
Non-controlling interest ("NCI")	391	551
<b>Total Equity</b>	<b>57,790</b>	<b>57,401</b>
<b>Non-Current Liabilities</b>		
Lease liabilities	728	1,389
Borrowings	4,323	4,600
Other payable	1,445	1,784
Amount due to a Director	1,393	1,734
Deferred tax liabilities	3,469	3,572
	<b>11,358</b>	<b>13,079</b>
<b>Current Liabilities</b>		
Trade payables	1,164	1,182
Other payables	1,382	1,767
Contract liabilities	109	137
Amount due to Directors	315	117
Lease liabilities	788	1,207
Borrowings	2,069	2,372
	<b>5,827</b>	<b>6,782</b>
<b>Total Liabilities</b>	<b>17,185</b>	<b>19,861</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>74,975</b>	<b>77,262</b>
Net assets per ordinary share attributable to owners of Baba Eco <sup>(2)</sup> (sen)	<b>25.54</b>	<b>25.30</b>



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>**  
**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 2023 (“FYE 2023”) 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 2024.*

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME <sup>(1)</sup>  
FOR THE 2<sup>ND</sup> HALF ENDED AND FINANCIAL YEAR ENDED 31 OCTOBER 2024**

	Individual 6 months ended		Cumulative 12 months ended	
	Unaudited 31.10.2024 RM'000	Unaudited 31.10.2023 RM'000	Unaudited 31.10.2024 RM'000	Audited 31.10.2023 RM'000
Revenue	15,334	17,088	29,654	33,905
Cost of sales	(8,316)	(9,740)	(16,074)	(18,743)
Gross profit	7,018	7,348	13,580	15,162
Other income	218	1,139	425	1,472
Selling and distribution expenses	(1,870)	(1,729)	(3,239)	(3,301)
Administrative expenses	(4,101)	(4,392)	(8,587)	(8,908)
Other expenses	(193)	(89)	(193)	(93)
Net impairment gain/(loss) on financial assets	27	(47)	27	(47)
Profit from operations	1,099	2,230	2,013	4,285
Finance income	14	118	185	163
Finance costs	(631)	(810)	(843)	(1,017)
Profit before tax	482	1,538	1,355	3,431
Tax expenses	(305)	(636)	(541)	(1,162)
<b>Profit after tax</b>	<b>177</b>	<b>902</b>	<b>814</b>	<b>2,269</b>
<b>Other comprehensive income, net of tax</b>	<b>(4)</b>	<b>(1)</b>	<b>2</b>	<b>(20)</b>
<b>Total comprehensive income for the financial year</b>	<b>173</b>	<b>901</b>	<b>816</b>	<b>2,249</b>
<b>Profit attributable to owners of Baba Eco</b>				
- Owners of Baba Eco	298	1,109	975	2,516
- NCI	(121)	(207)	(161)	(247)
	<b>177</b>	<b>902</b>	<b>814</b>	<b>2,269</b>
<b>Total comprehensive income attributable to owners of Baba Eco</b>				
- Owners of Baba Eco	296	1,109	976	2,507
- NCI	(123)	(208)	(160)	(258)
	<b>173</b>	<b>901</b>	<b>816</b>	<b>2,249</b>
<b>Earnings per share attributable to owners of Baba Eco:</b>				
- Basic <sup>(2)</sup> (sen)	0.13	0.49	0.43	1.12
- Diluted <sup>(2)</sup> (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 2023 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 <sup>(1)</sup>**  
**FOR THE 2<sup>ND</sup> HALF ENDED AND FINANCIAL YEAR ENDED 31 OCTOBER 2024**  
**(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 1.11.2022	23,237	(18,822)	50,670	-	544	55,629
Total comprehensive income for the financial year	-	-	2,516	-	(247)	2,269
Translation reserve	-	-	-	(9)	(11)	(20)
<i>Transactions with owners: -</i>						
Incorporation of subsidiary	-	-	-	-	174	174
Acquisition of subsidiary	-	-	-	-	90	90
Contribution received from NCI	-	-	-	-	1	1
Dividend	-	-	(742)	-	-	(742)
<b>At 31.10.2023/ 1.11.2023</b>	<b>23,237</b>	<b>(18,822)</b>	<b>52,444</b>	<b>(9)</b>	<b>551</b>	<b>57,401</b>
Total comprehensive income for the financial year	-	-	975	-	(161)	814
Translation reserve	-	-	-	1	1	2
<i>Transaction with owners: -</i>						
Dividend	-	-	(427)	-	-	(427)
<b>At 31.10.2024</b>	<b>23,237</b>	<b>(18,822)</b>	<b>52,992</b>	<b>(8)</b>	<b>391</b>	<b>57,790</b>

Note:

(1) The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the FYE 2023 and the accompanying explanatory notes attached to this interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>  
FOR THE 2<sup>ND</sup> HALF ENDED AND FINANCIAL YEAR ENDED 31 OCTOBER 2024**

	12 months ended	
	Unaudited 31.10.2024 RM'000	Audited 31.10.2023 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,355	3,431
<u>Adjustments for:</u>		
Unrealised loss/(gain) on foreign exchange	77	(369)
Depreciation of PPE	1,549	1,270
Depreciation of ROU	661	904
Written off of property, plant and equipment	*	-
Loss on disposal of property, plant and equipment	-	3
Gain on disposal of right of use asset	-	(19)
Loss on modification of lease contract	-	*
Gain on early termination of lease contract	(6)	(2)
Goodwill on consolidation written off	-	90
Interest expenses	423	543
Fair value gain on other investments	(21)	(167)
Gain on disposal of other investments	(64)	-
Dividend income	(250)	-
Interest income	(185)	(163)
Rental concession	(4)	-
(Reversal)/Allowance for expected credit losses (“ECLs”) on receivables	(27)	47
Unwinding of discount on loan from:		
- a Director	210	237
- a Director of a subsidiary	-	217
- other payables	210	20
	<hr/>	<hr/>
Operating profit before working capital changes	3,928	6,042
Decrease in inventories	274	2,558
Decrease in trade and other receivables	1,153	722
Decrease in trade and other payables	(917)	(368)
Decrease in contract liabilities	(28)	(72)
	<hr/>	<hr/>
Cash generated from operations	4,410	8,882
Interest received	47	78
Tax refunded	99	-
Tax paid	(804)	(1,308)
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	<b>3,752</b>	<b>7,652</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	122	74
Dividend received	250	-
Net cash flow from acquisition of a subsidiary	-	1
Purchase of property, plant and equipment	(3,787)	(551)
Proceed from disposal of other investments	9,409	-
Acquisition of other investments	(12,818)	(6,000)
Withdrawal/(Placement) of fixed deposit with maturity more than 3 months	2,393	(3,743)
(Purchase of)/ Proceed from disposal of right of use assets	(260)	152
Proceed from disposal of property, plant and equipment	-	1
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(4,691)</b>	<b>(10,066)</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>**  
**FOR THE 2<sup>ND</sup> HALF ENDED AND FINANCIAL YEAR ENDED 31 OCTOBER 2024**  
**(cont'd)**

	<u>NOTE</u>	12 months ended	
		Unaudited 31.10.2024 RM'000	Audited 31.10.2023 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Drawdown of term loan		-	3,898
Repayment of term loans		(423)	(311)
Drawdown of banker's acceptance		4,564	6,233
Repayment of banker's acceptance		(4,721)	(6,884)
Placement of fixed deposit pledged with a licensed bank		(16)	(11)
Interest paid		(423)	(543)
Interest received		16	11
Dividends paid		(427)	(742)
Repayments to a Director		(353)	(348)
Repayments to a Director of subsidiary		-	(442)
Repayments of lease liabilities/finance lease liabilities		(799)	(1,486)
Net cash flow from incorporation of a subsidiary from NCIs		-	175
<b>Net cash used in financing activities</b>		<b>(2,582)</b>	<b>(450)</b>
Net changes in cash and cash equivalents		(3,521)	(2,864)
Effects of foreign exchange		79	114
Cash and cash equivalents at beginning of the financial year		12,023	14,773
<b>Cash and cash equivalents at end of the financial year</b>	<b>A</b>	<b>8,581</b>	<b>12,023</b>
<b>A. Cash and cash equivalents comprise the following:</b>			
Cash and bank balances		8,581	12,023
Fixed deposits with licensed banks		2,037	4,526
		10,618	16,549
Less: Fixed deposits with maturity more than 3 months		(1,390)	(3,895)
Less: Fixed deposits pledged with a licensed bank		(647)	(631)
		<b>8,581</b>	<b>12,023</b>

\* 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 2023 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 2023 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 2023.

### 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 2023, 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 2023 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 2024.

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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 2024.

**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)**

	<b>Manufacturing</b>	<b>Merchandising</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Results</b>					
Interest income	126	59	41	(41)	185
Interest expenses	(300)	(164)	-	41	(423)
Depreciation	(1,037)	(512)	-	-	(1,549)
Depreciation of ROU	(401)	(260)	-	-	(661)
Other non-cash (expense)/income	(258)	(121)	-	-	(379)
Tax expenses	(293)	(248)	*	-	(541)
Segment profit	518	262	515	(481)	814
<b>Additions to non-current assets consists of: -</b>					
Addition to PPE	3,773	14	-	-	3,787
Addition to ROU	82	178	-	-	260
Tax recoverable	182	322	29	-	533
Deferred tax assets	-	43	-	-	43
Segment assets	60,954	13,803	23,317	(23,675)	74,399
Deferred tax liabilities	3,462	7	-	-	3,469
Segment liabilities	12,693	2,302	20	(1,299)	13,716

Other material non-cash income/(expense):

	<b>Manufacturing</b>	<b>Merchandising</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
PPE written off	*	*	-	-	*
Gain on early termination of lease contracts	3	3	-	-	6
Gain on disposal of other investments	43	21	-	-	64
Fair value gain on other investments	14	7	-	-	21
Unrealised foreign exchange loss	(52)	(25)	-	-	(77)
Reversal of ECLs on receivables	18	9	-	-	27
Unwinding of discount on loan from other payables	(142)	(68)	-	-	(210)
Unwinding of discount on loan from a Director	(142)	(68)	-	-	(210)
	(258)	(121)	-	-	(379)

\* 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	
	31.10.2024		31.10.2023		31.10.2024		31.10.2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Local</b>								
Malaysia	12,492	81.47	13,335	78.03	24,466	82.50	27,098	79.92
<b>Overseas</b>								
Southeast Asia	2,110	13.76	2,354	13.78	3,662	12.35	4,482	13.22
Others	732	4.77	1,399	8.19	1,526	5.15	2,325	6.86
	2,842	18.53	3,753	21.97	5,188	17.50	6,807	20.08
<b>Total</b>	<b>15,334</b>	<b>100.00</b>	<b>17,088</b>	<b>100.00</b>	<b>29,654</b>	<b>100.00</b>	<b>33,905</b>	<b>100.00</b>

**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 has incorporated a wholly-owned subsidiary, Johin (M) Sdn. Bhd. ("Johin") in Malaysia under the Companies Act, 2016 on 27 September 2024. The issued capital of Johin is RM1,000 divided into 1,000 ordinary shares.

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 2024 are as follows:

	<b>RM'000</b>
In respect of property, plant and equipment:	
- Contracted but not provided for	<u>33</u>

**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	
	31.10.2024		31.10.2023		31.10.2024		31.10.2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Manufacturing<sup>(1)</sup></b>	9,382	61.18	11,483	67.20	18,762	63.27	22,448	66.21
<b>Merchandising<sup>(2)</sup></b>	5,770	37.63	5,605	32.80	10,710	36.12	11,457	33.79
<b>Others<sup>(3)</sup></b>	182	1.19	-	-	182	0.61	-	-
<b>Total</b>	<b>15,334</b>	<b>100.00</b>	<b>17,088</b>	<b>100.00</b>	<b>29,654</b>	<b>100.00</b>	<b>33,905</b>	<b>100.00</b>

**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.
- (3) Consist of revenue derived from training, consultation and certification services.

The Group recorded total revenue of RM15.33 million for the semi-annual period ended 31 October 2024 (“2HFY24”), decreased by RM1.75 million or 10.2% when compared to the Group’s revenue of RM17.09 million for the corresponding period in preceding financial year.

The Group has recorded lower total revenue of RM29.65 million for financial year ended 31 October 2024 (“FYE 2024”), decreased by RM4.26 million or 12.6% when compared to the Group’s revenue of RM33.91 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) change in consumer behaviours where consumers’ focus on home-based activities turning to outdoor activities such as travel, leading to a temporary fall in demand for gardening-related products
- (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 RM0.48 million for the 2HFY24, which is a decrease of RM1.06 million or 68.8% when compared to the corresponding period in the preceding financial year. The Group recorded lower PBT in 2HFY24 as compared to 2HFY24 mainly due to:

- (i) lower revenue recorded in 2HFY24
- (ii) lower other income attributable to lower foreign exchange gain

The Group recorded a PBT of RM1.36 million for the FYE 2024, a decrease of RM2.07 million or 60.3% when compared to the FYE2023. Lower PBT was mainly contributed by lower revenue achieved during FYE 2024; 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 2HFY24 and FYE 2024 respectively mainly due to non-deductible expenses of the operating subsidiaries.

## **B2. PROSPECTS**

The Group has been actively pushing for transformation in recent years. In the past, we focused primarily on the manufacturing and sale of eco-friendly flower pots. Now, we are accelerating development of our new products under our Mr. Ganick brand, including household organic fertilizers and organic pesticides. These consumable goods received encouraging market response that showing great potential to drive higher product turnover and expand our Group business footprint.

In addition, these products have also attracted overseas customers. Although there are upfront costs associated with import and related registration procedures, these investments will improve customer loyalty and foster long-term business relationships. We believe this will positively contribute to the Group's revenue growth in the medium to long term.

We have also developed a new series of eco-friendly organic pet products under our Pet Ganick brand. Such affordable organic and eco-friendly pet products are a relatively novel concept in the market, and the pet market is significantly larger than the gardening market. We are confident that this product line will enable the Group tap into a substantial potential market and create new growth opportunities.

Internally, the company continues to focus on internal process optimization and production automation to improve production efficiency and reduce operational costs. Through continuous investment and research and development, we believe it will improve our competitiveness in the market. With our efforts both internally and externally, we believe the Group is laying a solid foundation for future growth, gradually restoring and improving competitiveness and profitability.

In our commitment toward sustainability, in year 2024, we have installed solar panel system at the Group's factory buildings that would yield 650,000 kWh of green energy for the Group's production use. The investment will enable the Group to produce products by using green energy, and also provide potential saving in term of electricity charges in the long term.

Amidst the prevailing challenging business environment, the Group strive to improve its quality of solutions to meet consumers' evolving needs with aims to achieve long-term sustainability and growth. Barring unforeseen circumstances and considering the aforementioned, the Board of Directors remains positive on the Group's prospects.

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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:

<b>Purpose</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation<sup>(1)</sup> RM'000</b>	<b>Balance RM'000</b>	<b>Estimated timeframe for utilisation upon listing</b>
Capital expenditure	1,500	1,500	-	Fully utilised
R&D expenditure	500	113	387	By 19 July 2025
Overseas expansion	500	500	-	Fully utilised
Purchase of production equipment	800	800	-	Fully utilised
Working capital	275	275	-	Fully utilised
<b>Total</b>	<b>3,575</b>	<b>3,188</b>	<b>387</b>	

*Note:*

(1) Status of utilisation as at 26.12.2024

### C3. MATERIAL LIGATION

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

### C4. DIVIDEND

On 18 December 2024, the Board declared an interim dividend of 0.07 sen per share on 224,720,020 shares amounting to RM157,304 in respect of the financial year ended 31 October 2024. The entitlement date for the interim dividend is 27 December 2024 and paid on 31 December 2024.

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**C5. EARNINGS PER SHARE**

Basic Earnings per Share (“BEPS”)

	Individual 6 months ended		Cumulative 12 months ended	
	31.10.2024	31.10.2023	31.10.2024	31.10.2023
	RM’000	RM’000	RM’000	RM’000
Profit attributable to owners of Baba Eco	298	1,109	975	2,516
Weighted average number of ordinary shares in issue (’000)	224,720	224,720	224,720	224,720
<b>BEPS (sen)</b>	<b>0.13</b>	<b>0.49</b>	<b>0.43</b>	<b>1.12</b>

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 2024.

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