



ECONFRAME BERHAD

(Registration No. 201901042935)(1352265-T))

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 MAY 2020**

ECONFRAME BERHAD
(Registration No. 201901042935)(1352265-T))
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 MAY 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE
CURRENT QUARTER AND PERIOD TO DATE ENDED 31 MAY 2020**

	INDIVIDUAL QUARTER 3 MONTHS		CUMMULATIVE QUARTER 9 MONTHS	
	UNAUDITED 31/05/2020 RM'000	UNAUDITED 31/05/2019 RM'000	UNAUDITED 31/05/2020 RM'000	UNAUDITED 31/05/2019 RM'000
Revenue	4,778	N/A	29,977	N/A
Cost of sales	(3,588)	N/A	(20,349)	N/A
Gross profit	1,190	N/A	9,628	N/A
Other income	127	N/A	162	N/A
Administrative expenses ⁽³⁾	(866)	N/A	(3,276)	N/A
Distribution expenses	(268)	N/A	(951)	N/A
Operating profit	183	N/A	5,563	N/A
Finance costs	(10)	N/A	(51)	N/A
Profit before tax	173	N/A	5,512	N/A
Income tax expense	(42)	N/A	(1,301)	N/A
Profit for the period	131	N/A	4,211	N/A
Other comprehensive income	-	N/A	-	N/A
Total comprehensive income for the period	131	N/A	4,211	N/A
Profit for the period attributable to: owners of the Company	131	N/A	4,211	N/A

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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	INDIVIDUAL QUARTER 3 MONTHS		CUMMULATIVE QUARTER 9 MONTHS	
	UNAUDITED 31/05/2020 RM'000	UNAUDITED 31/05/2019 RM'000	UNAUDITED 31/05/2020 RM'000	UNAUDITED 31/05/2019 RM'000
Total comprehensive income for the period attributable to:				
Equity holders of the parent	<u>131</u>	<u>N/A</u>	<u>4,211</u>	<u>N/A</u>
Basic profit per share (sen)	<u>11.91</u>	<u>N/A</u>	<u>382.82</u>	<u>N/A</u>
Diluted profit per share (sen)	<u>11.91</u>	<u>N/A</u>	<u>382.82</u>	<u>N/A</u>

Notes:

- 1) The basis of preparation of the unaudited condensed consolidated statements of profit or loss and other comprehensive income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 5 October 2020 and the accompanying explanatory notes attached to this interim financial report.
- 2) No comparative figures for the preceding year's corresponding period is presented as this is the first interim financial report on the consolidated results announced by the Company in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").
- 3) Including listing expenditure of RM0.15 million and RM0.49 million expensed out in the individual current quarter ended 31 May 2020 and cumulative 9-month quarter ended 31 May 2020, respectively.
- 4) Basic and diluted earnings per share is calculated based on the ordinary shares in issuance of 1,100,100 shares before the Acquisitions (as defined and further explained in Note A1 below).
- 5) N/A denotes not applicable.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2020**

	UNAUDITED AS AT END OF CURRENT QUARTER 31/05/2020 RM'000	UNAUDITED AS AT PRECEDING FINANCIAL YEAR 31/05/2019 RM'000
Non-current Assets		
Property, plant and equipment	9,744	N/A
Investment properties	324	N/A
	10,068	N/A
Current Assets		
Inventories	3,747	N/A
Trade receivables	12,107	N/A
Other receivables, deposits and prepayments	1,377	N/A
Current tax assets	205	N/A
Short-term deposits	2,877	N/A
Cash and bank balances	3,089	N/A
	23,402	N/A
Total assets	33,470	N/A
Equity and Liabilities		
Issued capital	1,100	N/A
Revaluation reserve	4,220	N/A
Retained earnings	24,900	N/A
Total equity	30,220	N/A
Non-current Liabilities		
Loans and borrowings	577	N/A
Deferred taxation	1,435	N/A
	2,012	N/A
Current Liabilities		
Trade payables	586	N/A
Other payables and accruals	442	N/A
Loans and borrowings	210	N/A
	1,238	N/A
Total liabilities	3,250	N/A
Total equity and liabilities	33,470	N/A
Net assets per share attributable to ordinary equity holders of the parent (sen)	2,747.27	N/A

Notes:

- 1) The basis of preparation of the unaudited condensed consolidated statement of financial position is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 5 October 2020 and the accompanying explanatory notes attached to this interim financial report.
- 2) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no available comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the comparative financial period concerned.
- 3) Net assets per share is calculated based on the ordinary shares in issuance of 1,100,100 shares before the Acquisitions (as defined and further explained in Note A1 below).

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 MAY 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MAY 2020**

	Share capital RM'000	Non- Distributable reserve Revaluation reserve RM'000	Distributable reserve Retained earnings RM'000	Total RM'000
Balance as at 1 September 2019	1,100	4,228	20,681	26,009
Total comprehensive income for the financial period				
Profit for the financial period	-	-	4,211	4,211
Realisation of revaluation reserve	-	(8)	8	-
Total comprehensive income	-	(8)	4,219	4,211
Balance as at 31 May 2020	1,100	4,220	24,900	30,220

Notes:

- (1) The basis of preparation of the unaudited condensed consolidated statement of changes in equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 5 October 2020 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no available comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the comparative financial period concerned.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 MAY 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MAY 2020**

	CURRENT PERIOD TO DATE 31/05/2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/05/2019 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	5,512	N/A
Adjustments for:		
Depreciation of property, plant & equipment	396	N/A
Reversal of impairment loss	(31)	N/A
Interest expense	51	N/A
Interest income	(49)	N/A
Operating profit before changes in working capital	5,879	N/A
Changes In Working Capital:		
Inventories	(838)	N/A
Trade and other receivables	1,910	N/A
Trade and other payables	(1,539)	N/A
Net cash generated from operations	5,412	N/A
Income tax paid	(2,452)	N/A
Interest expense	-	N/A
Net cash from operating activities	2,960	N/A
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(358)	N/A
Change in pledged deposits	(1,172)	N/A
Interest income	49	N/A
Net cash used in investing activities	(1,481)	N/A

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FOR THE THIRD QUARTER ENDED 31 MAY 2020**

	CURRENT PERIOD TO DATE 31/05/2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/05/2019 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(51)	N/A
Repayment of term loans	(133)	N/A
Repayment of finance lease liabilities/lease liabilities	(118)	N/A
Repayment of bankers' acceptance	(1,265)	N/A
Proceeds from issuance of share capital upon incorporation	*	N/A
Net cash used in financing activities	<u>(1,567)</u>	<u>N/A</u>
NET DECREASE IN CASH AND CASH EQUIVALENT	(88)	N/A
CASH AND CASH EQUIVALENT AT BEGINNING OF PERIOD	<u>3,177</u>	<u>N/A</u>
CASH AND CASH EQUIVALENT AT END OF PERIOD	<u><u>3,089</u></u>	<u><u>N/A</u></u>

* RM100.

Cash and cash equivalent comprise of:

	CURRENT PERIOD TO DATE 31/05/2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/05/2019 RM'000
Cash in hand and at banks	<u><u>3,089</u></u>	<u><u>N/A</u></u>

Notes:

- (1) The basis of preparation of the above unaudited condensed consolidated statement of cash flows is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 5 October 2020 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no available comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the comparative financial period concerned.
- (3) N/A denotes not applicable.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 MAY 2020**

A EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Basis of preparation

The interim financial statements are unaudited and had been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards (“MFRSs”) 134 “Interim Financial Reporting” and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market.

This is the first interim financial statements on the Group’s unaudited condensed consolidated financial results for the third quarter ended 31 May 2020 announced by the Group in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The unaudited interim financial statements should be read in conjunction with the Accountants’ Report for the financial period ended 31 May 2020 as disclosed in the Prospectus dated 5 October 2020 and the accompanying explanatory notes are attached to this interim financial report.

The Company completed the acquisitions of Econframe Marketing Sdn Bhd and Econframe Pre-Hung Doors Sdn Bhd (“Acquisitions”) on 1 August 2020 and they are assumed to be under common control with the Group since their its incorporation and prior to the Acquisitions. As such, the financial information of the Group for the financial period ended 31 May 2020 is presented based on the combined financial statements of the Group.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory (“commonly controlled entities”). Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the commonly controlled entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases. Combining entities acquired which have met the criteria for pooling of interest are accounted for using merger accounting policies.

The accounting policies applied by the Group are consistently applied for the financial periods presented in these unaudited interim financial statements.

Statement of compliance

The unaudited interim financial statements of the Group have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRSs”) and International Financial Reporting Standards (“IFRSs”).

Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation (“IC Int”)

The Group has adopted the following new MFRS, amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial period:

New MFRS

MFRS 16 Leases

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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Amendments/Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 11	Joint Arrangements
MFRS 112	Income Taxes
MFRS 119	Employee Benefits
MFRS 123	Borrowing Costs
MFRS 128	Investments in Associates and Joint Ventures

New IC Int

IC Int 23	Uncertainty Over Income Tax Treatments
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New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group has not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

<u>New MFRS</u>	<u>Effective for financial periods beginning on or after</u>
MFRS 17 Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>	
MFRS 1 First-time Adoption of MFRSs	1 January 2022 [^] / 1 January 2023 [#]
MFRS 3 Business Combinations	1 January 2020/ 1 January 2022/ 1 January 2023 [#]
MFRS 5 Non-current Assets Held for Sale and Discontinued Operation	1 January 2023 [#]
MFRS 7 Financial Instruments: Disclosures	1 January 2020/ 1 January 2023 [#]
MFRS 9 Financial Instruments	1 January 2020/ 1 January 2022 [^] / 1 January 2023 [#]
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 15 Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16 Leases	1 June 2020 [*] / 1 January 2022 [^]
MFRS 101 Presentation of Financial Statements	1 January 2020/ 1 January 2023/ 1 January 2023 [#]
MFRS 107 Statements of Cash Flows	1 January 2023 [#]
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020
MFRS 116 Property, Plant and Equipment	1 January 2022/ 1 January 2023 [#]
MFRS 119 Employee Benefits	1 January 2023 [#]
MFRS 128 Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]

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MFRS 132 Financial Instruments: Presentation 1 January 2023[#]

New MFRS and amendments/improvements to MFRSs have been issued, but yet to be effective (continued)

		Effective for financial periods beginning on or after
<u>Amendments/Improvements to MFRSs (continued)</u>		
MFRS 136	Impairment of Assets	1 January 2023 [#]
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2020
MFRS 140	Investment Property	1 January 2023 [#]
MFRS 141	Agriculture	1 January 2022 [^]

[^] *The Annual Improvements to MFRSs 2018-2022*

^{*} *Earlier application is permitted, including in financial statements not authorised for issue at 28 May 2020*

[#] *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*

The Group plans to adopt the above applicable new MFRS and amendments/ improvements to MFRSs when they become effective and that the adoption of these standards and amendments are not expected to have any material impact on the financial statements of the Group in the period of initial application.

A2 Auditors' report

The preceding year's annual audited financial statements were not available as Econframe Berhad was incorporated on 27 November 2019.

A3 Seasonal or cyclical factors

The Group's interim operations were not subjected to any significant seasonal or cyclical factors.

A4 Material unusual items

Saved as disclosed in note B3, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter under review.

A5 Changes in estimates

There were no changes in the nature and estimates of amounts reported which have a material effect on the results for the current financial quarter under review.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
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A6 Debt and equity securities

Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

On 12 February 2020, the Company had entered into the following share sale agreements:

- (a) Share sale agreement between the Company and the vendors of Econframe Marketing Sdn Bhd for the acquisition of 100% equity interest in Econframe Marketing Sdn Bhd, for a purchase consideration of RM24,230,000 which was wholly satisfied by the issuance of 242,300,000 new ordinary shares in the Company at an issue price of RM0.10 each; and
- (b) Share sale agreement between the Company and the vendors of Econframe Pre-Hung Doors Sdn Bhd for the acquisition of 100% equity interest in Econframe Pre-Hung Doors Sdn Bhd, for a purchase consideration of RM1,769,990 which was wholly satisfied by the issuance of 17,699,900 new ordinary shares in the Company at an issue price of RM0.10 per each.

The acquisitions of Econframe Marketing Sdn Bhd and Econframe Pre-Hung Doors Sdn Bhd were completed on 1 August 2020 (“Acquisitions”).

On 5 October 2020, 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 65,000,000 new ordinary shares in the Company allocated in the following manner:-
 - 16,250,000 new shares available for application by the Malaysian public;
 - 3,250,000 new shares available for application by the eligible directors and employees of the Group;
 - 13,000,000 new shares by way of private placement to selected investors; and
 - 32,500,000 new shares by way of private placement to identified bumiputera investors approved by the Ministry of International Trade and Industry Malaysia; and
- (ii) Offer for sale of 32,500,000 existing shares by way of private placement to selected investors,

at an issue/offer price of RM0.28 per share (“IPO Price”).

The listing exercise is still pending completion as the Company is expected to be listed on 27 October 2020.

A7 Dividends paid

There were no dividends paid during the quarter under review.

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A8 Segment information

The unaudited segment information for the individual quarter ended 31 May 2020 is as follows:

	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Total RM'000
31 May 2020				
Revenue:				
Revenue from external customers	4,049	729	-	4,778
Inter-segment revenue	-	6	(6)	-
	<u>4,049</u>	<u>735</u>	<u>(6)</u>	<u>4,778</u>
Segment profit	933	257		1,190
Other income				127
Unallocated expenses				(1,134)
Finance costs				(10)
Income tax expense				(42)
Profit for the financial period				<u>131</u>

The unaudited segment information for the cumulative quarter ended 31 May 2020 is as follows:

	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Total RM'000
31 May 2020				
Revenue:				
Revenue from external customers	24,364	5,613	-	29,977
Inter-segment revenue	2	18	(20)	-
	<u>24,366</u>	<u>5,631</u>	<u>(20)</u>	<u>29,977</u>
Segment profit	7,531	2,097	-	9,628
Other income				162
Unallocated expenses				(4,227)
Finance costs				(51)
Income tax expense				(1,301)
Profit for the financial period				<u>4,211</u>

Notes:

- (1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no available comparative figures for the preceding years' corresponding quarter as no interim financial report was prepared for the comparative financial period concerned.

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A9 Valuation of property, plant and equipment

The Group did not carry out any valuation on its property, plant and equipment in the current quarter.

A10 Material events subsequent to the end of the quarter

Save as disclosed in Note A6, there was no material event subsequent to the end of the quarter under review.

A11 Changes in the composition of the group

Save as disclosed in Note A6, there were no changes to the composition of the Group for the quarter and financial period under review.

A12 Capital commitments

There were no capital commitments in the Group for the quarter under review.

A13 Related party transactions

There were no material related party transactions during the current financial quarter under review.

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B ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET

B1 Review of performance

	Individual Quarter		Changes (RM'000) /%)	Cumulative Quarter		Changes (RM'000) /%)
	(Unaudited) 31 May 2020 RM'000	(Unaudited) 31 May 2019 RM'000		(Unaudited) 31 May 2020 RM'000	(Unaudited) 31 May 2019 RM'000	
Revenue	4,778	N/A	N/A	29,977	N/A	N/A
Gross profit	1,190	N/A	N/A	9,628	N/A	N/A
Profit before tax	173	N/A	N/A	5,512	N/A	N/A
Profit after tax	131	N/A	N/A	4,211	N/A	N/A

Current quarter (3 months)

The Group recorded revenue of RM4.78 million for the current financial quarter ended 31 May 2020. During the current financial quarter under review, the scheduled deliveries of its products were affected by the Government's imposition of the movement control order ("MCO") which took effect from 18 March 2020 to 3 May 2020, resulting in delays in revenue recognition.

The Group's revenue was principally derived from the manufacturing segment accounting for approximately 84.7% of the total revenue, which was mainly driven by the sales of metal door frames and fire resistant door sets.

Nevertheless, despite the MCO, the Group managed to register a profit before tax of RM0.17 million (including listing expenditure of RM0.15 million having been expensed out) in the current financial quarter under review.

Cumulative quarter (9 months)

The Group recorded revenue of RM29.98 million for the cumulative financial quarter ended 31 May 2020.

The Group's revenue was principally derived from the manufacturing segment accounting for approximately 81.3% of the total revenue, which was mainly driven by the sales of metal door frames and fire resistant door sets.

Overall, the Group registered a profit before tax of RM5.51 million (including listing expenditure of RM0.49 million having been expensed out) in the cumulative financial quarter under review.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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B2 Comparison with immediate preceding quarter's results

There are no available comparison figures for the immediate preceding quarter as this is the first interim financial report announced by the Company in compliance with the Listing Requirements.

B3 Prospects

Due to the outbreak of Covid-19, the Government has imposed the MCO throughout Malaysia which took effect from 18 March 2020 to 3 May 2020, conditional movement control order ("CMCO") from 4 May 2020 to 9 June 2020 and the on-going recovery movement control order ("RMCO") from 10 June 2020 to 31 December 2020 to curb the spread of the Covid-19 virus in the country. The MCO has halted most of the economic sectors and activities. As the Group is not considered a critical sector for the supply of essential goods/services, the Group was unable to conduct its business operations during the MCO. Although the Group had resumed operations on 20 April 2020 at 50% of its workforce and subsequently to 100% of its workforce under the CMCO on 4 May 2020, the Company expects the Group's financial performance moving forward to be affected in terms of delayed revenue recognition for the period of the MCO, resulting in lower recognition of revenue for the financial year ending 31 August 2020 as well as delays in the deliveries of its products.

B4 Profit forecast / Profit guarantee

The Group did not issue any profit forecast or profit guarantee in any public documents.

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	(Unaudited) 31 May 2020 RM'000	(Unaudited) 31 May 2019 RM'000	(Unaudited) 31 May 2020 RM'000	(Unaudited) 31 May 2019 RM'000
Income tax expense:				
Current financial period	42	N/A	1,423	N/A
Adjustment in respect of prior years	-	N/A	13	N/A
Real property gain tax	-	N/A	(73)	N/A
Movement in deferred tax:				
Originating of temporary difference	-	N/A	13	N/A
Adjustment in respect of prior financial years	-	N/A	(75)	N/A
Total tax expense	42	N/A	1,301	N/A
Effective tax rate	24.3%	N/A	23.6%	N/A

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Notes:

- (1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no available comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the comparative financial period concerned.
- (2) The Group's effective tax rate of 23.6% was lower than statutory income tax rate due to reversal of property gains tax and deferred tax recognized in the previous financial years.

B6 Status of corporate proposals and utilisation of proceeds

On 5 October 2020, the Company issued its prospectus in relation to the Public Issue of 65,000,000 new ordinary shares at the IPO Price in conjunction with the IPO. The listing exercise is still pending completion as the Company is expected to be listed on 27 October 2020.

The gross proceeds of RM18.20 million to be raised from the IPO are intended to be utilized in the following manner:-

	Proposed Utilisation RM'000	Actual Utilised RM'000	Estimated timeframe for utilization from Listing
Land acquisition and construction of new manufacturing facility	5,000	N/A	Within 24 months
Automation of manufacturing process	4,000	N/A	Within 24 months
Working capital	6,200	N/A	Within 6 months
Estimated listing expenses	3,000	N/A	Within 1 month
	18,200	N/A	

B7 Bank Borrowings

The Group's borrowings were as follows:

	Unaudited as at 31/05/2020 RM'000	Unaudited as at 31/05/2019 RM'000
Secured:		
Current Liabilities		
Bankers' acceptance	-	N/A
Term loan	164	N/A
Finance lease payable	46	N/A
	<hr/> 210 <hr/>	<hr/> N/A <hr/>

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	Unaudited as at 31/05/2020 RM'000	Unaudited as at 31/05/2019 RM'000
Non-Current Liabilities		
Finance lease payable	62	N/A
Term loan	515	N/A
	<u>577</u>	<u>N/A</u>
 Total Bank Borrowings	 <u>787</u>	 <u>N/A</u>

Notes:

- (1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no available comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the comparative financial period concerned.

B8 Material litigation

The Group has no outstanding material litigation as at the date of this interim report.

B9 Dividends

The Directors have not recommended or declared any dividend for the quarter ended 31 May 2020.

B10 Earnings per share

The basic and diluted earnings per share for the current quarter and financial period is calculated as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED 31/05/2020	UNAUDITED 31/05/2019	UNAUDITED 31/05/2020	UNAUDITED 31/05/2019
Profit attributable to owners of the Company (RM'000)	131	N/A	4,211	N/A
Weighted average number of shares in issue ('000)	1,100	N/A	1,100	N/A
Basic earnings per share (sen) ⁽²⁾	<u>11.91</u>	<u>N/A</u>	<u>382.82</u>	<u>N/A</u>
Diluted earnings per share (sen) ⁽²⁾	<u>11.91</u>	<u>N/A</u>	<u>382.82</u>	<u>N/A</u>

ECONFRAME BERHAD
(Registration No. 201901042935)(1352265-T))
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 MAY 2020**

Notes:

- (1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no available comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the comparative financial period concerned.
- (2) Basic and diluted earnings per share is calculated by dividing the profit after tax attributable to owners of the Company by the number of shares in issue before the Acquisitions.

B11 Disclosure on selected expense/(income) items as required by the Listing Requirements

	Individual Quarter		Cumulative Quarter	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	31 May 2020	31 May 2019	31 May 2020	31 May 2019
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):-				
Auditor's remuneration				
-current year	11	N/A	34	N/A
Depreciation	149	N/A	396	N/A
Interest expense	13	N/A	51	N/A
Interest income	(46)	N/A	(49)	N/A
Realised loss on foreign exchange	8	N/A	91	N/A
Rental expense	1	N/A	37	N/A

Notes:

- (1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no available comparative figures for the preceding year's quarter as no interim financial report was prepared for the comparative financial period concerned.

By Order of the Board

CHENG CHIA PING (MAICSA 1032514)
Company Secretary
Kuala Lumpur
22 OCTOBER 2020