



**ECONFRAME BERHAD**

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER ENDED 29 FEBRUARY 2024**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
AND OTHER COMPREHENSIVE INCOME FOR THE  
CURRENT QUARTER AND FINANCIAL PERIOD ENDED 29 FEBRUARY 2024**

	← Unaudited →			
	Current Quarter ended		Cumulative Quarter ended	
	29 February 2024	28 February 2023	29 February 2024	28 February 2023
	RM'000	RM'000	RM'000	RM'000
Revenue	26,981	18,432	54,166	35,298
Cost of sales	(18,462)	(11,947)	(36,746)	(24,120)
Gross profit	8,519	6,485	17,420	11,178
Other income	189	86	340	217
Administrative expenses	(3,188)	(1,914)	(5,675)	(3,298)
Distribution expenses	(311)	(195)	(564)	(473)
Reversal of impairment loss	141	-	374	-
Operating profit	5,350	4,462	11,895	7,624
Finance costs	(86)	(5)	(259)	(10)
Profit before tax	5,264	4,457	11,636	7,614
Income tax expense	(1,320)	(1,294)	(2,912)	(2,118)
Profit for the financial period	3,944	3,163	8,724	5,496
Other comprehensive loss, net of tax				
<i>Item that will not be reclassified subsequently to profit or loss</i>				
Movement of revaluation reserve	-	1,564	(398)	1,564
Other comprehensive loss for the financial period	-	1,564	(398)	1,564
Total comprehensive income for the financial period	3,944	4,727	8,326	7,060
<b>Profit/(loss) for the financial period attributable to:</b>				
- Owners of the Company	3,369	3,160	7,771	5,494
- Non-controlling interests	575	3	953	2
	3,944	3,163	8,724	5,496
<b>Total comprehensive income/(loss) for the financial period attributable to:</b>				
- Owners of the Company	3,369	4,724	7,373	7,058
- Non-controlling interests	575	3	953	2
	3,944	4,727	8,326	7,060
<b>Earnings per share attributable to owners of the Company:</b>				
- Basic (sen)	0.99	0.97	2.31	1.69
- Diluted (sen)	0.97	0.96	2.29	1.68

**Note:**

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 audited financial statements for the financial year ended 31 August 2023 (“AFS 2023”) and the accompanying explanatory notes attached to this interim financial report.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 29 FEBRUARY 2024**

	<b>Unaudited As at 29/02/2024 RM'000</b>	<b>Audited As at 31/08/2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	28,362	21,275
Investment property	1,288	300
Goodwill on consolidation <sup>(2)</sup>	14,280	-
	<u>43,930</u>	<u>21,575</u>
<b>Current assets</b>		
Inventories	22,262	12,275
Trade receivables	28,901	25,978
Other receivables, deposits and prepayments	9,497	3,982
Contract assets	4,440	-
Current tax asset	13	-
Short-term deposits	13,499	17,936
Cash and bank balances	13,218	13,731
	<u>91,830</u>	<u>73,902</u>
<b>Total assets</b>	<u>135,760</u>	<u>95,477</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	63,255	50,624
Revaluation reserve	5,408	5,854
Reorganisation reserve	(25,825)	(25,825)
Retained earnings	62,627	54,808
	<u>105,465</u>	<u>85,461</u>
<b>Non-controlling interests</b>	2,508	(28)
<b>Total equity</b>	<u>107,973</u>	<u>85,433</u>
<b>Non-current liabilities</b>		
Loans and borrowings	1,907	164
Deferred taxation	2,856	1,829
	<u>4,763</u>	<u>1,993</u>
<b>Current liabilities</b>		
Loans and borrowings	5,443	195
Trade payables	10,481	3,600
Other payables and accruals	4,104	2,917
Contract liabilities	1,290	-
Current tax liabilities	1,706	1,339
	<u>23,024</u>	<u>8,051</u>
<b>Total liabilities</b>	<u>27,787</u>	<u>10,044</u>
<b>Total equity and liabilities</b>	<u>135,760</u>	<u>95,477</u>
<b>Net assets per share attributable to owners of the Company (sen)</b>	<u>29.20</u>	<u>24.96</u>

**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 AFS 2023 and the accompanying explanatory notes attached to this interim financial report.
- 2) The goodwill on consolidation is provisional and is subject to adjustments upon the finalisation of the detailed Purchase Price Allocation exercise.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 29 FEBRUARY 2024**

	Non-Distributable reserve			Distributable reserve	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Revaluation reserve RM'000	Reorganisation reserve RM'000	Retained earnings RM'000			
<b>Unaudited</b>							
Balance as at 1 September 2022	43,330	4,355	(25,825)	41,679	63,539	(27)	63,512
Profit for the financial period	-	-	-	5,494	5,494	2	5,496
Other comprehensive income for the financial period	-	1,564	-	-	1,564	-	1,564
Total comprehensive income for the financial period	-	1,564	-	5,494	7,058	2	7,060
Realisation of revaluation reserve	-	(29)	-	29	-	-	-
Transactions with the owners:							
Issuance of ordinary shares pursuant to warrant exercised	2,660	-	-	-	2,660	-	2,660
Balance as at 28 February 2023	45,990	5,890	(25,825)	47,202	73,257	(25)	73,232

	Non-Distributable reserve			Distributable reserve	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Revaluation reserve RM'000	Reorganisation reserve RM'000	Retained earnings RM'000			
<b>Unaudited</b>							
Balance as at 1 September 2023	50,624	5,854	(25,825)	54,808	85,461	(28)	85,433
Profit for the financial period	-	-	-	7,771	7,771	953	8,724
Other comprehensive loss for the financial period	-	(398)	-	-	(398)	-	(398)
Total comprehensive (loss)/income for the financial period	-	(398)	-	7,771	7,373	953	8,326
Realisation of revaluation reserve	-	(48)	-	48	-	-	-
Transactions with the owners:							
Issuance of ordinary shares pursuant to warrant exercised	3,531	-	-	-	3,531	-	3,531
Consideration shares issued for the acquisition of a subsidiary	9,100	-	-	-	9,100	-	9,100
Non-controlling interests arising from acquisition of a subsidiary	-	-	-	-	-	1,583	1,583
	12,631	-	-	-	12,631	1,583	14,214
Balance as at 29 February 2024	63,255	5,408	(25,825)	62,627	105,465	2,508	107,973

**Note:**

- 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 AFS 2023 and the accompanying explanatory notes attached to this interim financial report.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 29 FEBRUARY 2024**

	Unaudited	
	Financial period ended	
	29 February 2024	28 February 2023
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	11,636	7,614
Adjustments for:		
Depreciation of property, plant & equipment	757	277
Depreciation of investment property	12	-
Bad debts written off	-	67
Reversal of impairment loss on trade receivables	(374)	-
Gain on disposal of property, plant & equipment	(103)	-
Gain on lease modification	(5)	-
Finance costs	259	10
Interest income	(151)	(159)
Net unrealised foreign exchange (gain)/loss	(1)	16
Operating profit before changes in working capital	12,030	7,825
Changes in working capital:		
Inventories	(7,883)	1,475
Trade and other receivables	(1,174)	(1,495)
Trade and other payables	4,965	(4,626)
Contract assets	(1,027)	25
Contract liabilities	438	-
Net cash generated from operations	7,349	3,204
Income tax paid	(2,050)	(1,443)
Interest paid	(183)	-
Net cash flows from operating activities	5,116	1,761
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(896)	(8,682)
Proceeds from disposal of property, plant and equipment	105	-
Change in pledged deposits	553	(60)
Interest income	151	159
Net cash outflows for the acquisitions of subsidiaries	(11,219)	-
Other investing activity <sup>(2)(3)</sup>	(5,600)	(1,820)
Net cash flows used in investing activities	(16,906)	(10,403)

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 29 FEBRUARY 2024 (CONT'D)**

	<b>Unaudited</b>	
	<b>Financial period ended</b>	
	<b>29 February 2024</b>	<b>28 February 2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from warrants conversion	3,531	3,307
Repayment of term loans	(256)	(91)
Repayment of lease liabilities	(58)	(35)
Drawdown of hire purchase	147	-
Repayment of hire purchase	(142)	(28)
Net changes in banker acceptances	885	-
Net cash flows from financing activities	4,107	3,153
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(7,683)	(5,489)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	28,483	23,755
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	20,800	18,266

For the purpose of the condensed consolidated statement of cash flows, cash and cash equivalents comprise the following:

	<b>Unaudited</b>	
	<b>As at 29/02/2024</b>	<b>As at 28/02/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Short-term deposits	13,499	11,816
Cash and bank balances	13,218	9,516
	26,717	21,332
Less: Pledged deposits	(3,242)	(3,066)
Less: Bank overdrafts	(2,675)	-
Cash and cash equivalents	20,800	18,266

**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 AFS 2023 and the accompanying explanatory notes attached to this interim financial report.
- 2) The other investing activity for financial period ended 29 February 2024 represents the earnest deposit paid for the proposed acquisition as disclosed in Note B6(b)(ii).
- 3) The other investing activity for financial period ended 28 February 2023 represents the 10% of the purchase consideration paid for the proposed acquisitions as disclosed in Note B6(b)(i).

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

**A1 Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with MFRS 134 “Interim Financial Reporting” and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The unaudited interim financial report should be read in conjunction with the AFS 2023 and the accompanying explanatory notes are attached to this interim financial report.

The accounting policies adopted for the interim financial report are consistent with those adopted for the AFS 2023 except for the adoption of standard and amendments to standards that are mandatory for the Group for the financial year beginning 1 September 2023:

Amendments/Improvements to MFRSs

MFRS 7	Financial Instruments: Disclosures
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 107	Statement of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes

The adoption of these amendments to standard did not have any material impact on the interim financial report of the Group.

**A2 Auditors’ report**

The audit report of the Group’s AFS 2023 was not qualified.

**A3 Seasonal or cyclical factors**

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

**A4 Material unusual items**

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

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

**A6 Debt and equity securities**

During the financial period ended 29 February 2024, the issued share capital of the Company increased from 342,366,350 to 361,233,420 pursuant to:

- i. the issuance of 10,459,770 new ordinary shares as consideration shares for the acquisition of Lee & Yong Aluminium Sdn Bhd at an issue price of RM0.87 per share; and
- ii. the issuance of 8,407,300 new ordinary shares arising from the exercise of warrants at the exercise price of RM0.42 for cash of RM3,531,066.

Other than the above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial period under review.

**A7 Dividend paid**

There were no dividends paid during the current financial period under review.

**A8 Segment information**

The unaudited segment information for the financial period ended 29 February 2024 are as follows:

	← Unaudited →		
	Financial period ended 29 February 2024		
	Manufacturing	Trading	Total
	RM'000	RM'000	RM'000
<b>Revenue</b>			
Total revenue	46,910	8,799	55,709
Inter-segment revenue	(1,543)	-	(1,543)
Revenue from external customers	45,367	8,799	54,166
<b>Segment profit</b>	14,731	2,689	17,420
Other income			340
Reversal of impairment loss on trade receivables			374
Unallocated expenses			(6,239)
Finance costs			(259)
Income tax expense			(2,912)
Profit for the financial period			8,724

**A9 Valuation of property, plant and equipment and investment properties**

The Group has not carried out any valuation on its property, plant and equipment and investment properties during the current financial period under review.

**A10 Material events subsequent to the end of the financial period**

Save as disclosed in Note B6(b), there was no material event subsequent to the end of the financial period under review.



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

**A11 Changes in the composition of the Group**

On 8 September 2023, the Company completed the acquisitions of:

- a) 487,500 ordinary shares in Lee & Yong Aluminium Sdn Bhd (“LYASB”), representing 65% equity interest in LYASB for a purchase consideration on RM17,200,000 of which RM8,100,000 was satisfied by cash and the remaining RM9,100,000 was satisfied via the issuance and allotment of 10,459,770 new ordinary shares of the Company at an issue price of RM0.87 per share; and
- b) 29,184 ordinary shares in Trans United Sdn Bhd (“TUSB”), representing 100% equity interest in TUSB for a purchase consideration on RM1,000,000 which was satisfied by cash.

LYASB and TUSB become a 65%-owned subsidiary and a wholly-owned subsidiary of the Company following the completion of the acquisitions, respectively.

The details of the net identifiable assets acquired and net cash outflows on acquisitions of LYASB and TUSB are analysed as follows:

	<b>As at date of acquisition</b>			
	<b>LYASB RM'000</b>	<b>TUSB RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
Property, plant and equipment	7,090	-	-	7,090
Investment property	-	1,000	-	1,000
Inventories	2,104	-	-	2,104
Trade and other receivables	3,111	-	72	3,183
Current tax asset	506	-	-	506
Contract assets	3,412	-	-	3,412
Short-term deposits	613	-	-	613
Cash and cash equivalents	(3,951) <sup>(1)</sup>	12	-	(3,939)
Deferred tax liabilities	(962)	-	-	(962)
Loans and borrowings	(3,473)	-	-	(3,473)
Trade and other payables	(3,074)	(104)	-	(3,178)
Contract liabilities	(853)	-	-	(853)
Current tax liability	-	*	-	*
Total net identifiable assets assumed	4,523	908	72	5,503
Less: Non-controlling interests, measured at the proportionate share of the fair values of the net identifiable assets assumed	(1,583)	-	-	(1,583)
Total net identifiable assets acquired	2,940	908	72	3,920
Goodwill on consolidation	14,260	92	(72)	14,280
Total purchase consideration	17,200	1,000	-	18,200
Less: cash deposits paid <sup>(2)</sup>	(1,720)	(100)	-	(1,820)
consideration shares	(9,100)	-	-	(9,100)
cash and cash equivalents acquired	3,951 <sup>(1)</sup>	(12)	-	3,939
Net cash outflows on acquisitions	10,331	888	-	11,219

\* less than RM0.1 million.

<sup>(1)</sup> including bank overdrafts of RM4.294 million.

<sup>(2)</sup> 10% of the total purchase consideration was paid on 17 January 2023.

**A11 Changes in the composition of the Group (cont'd)**

The fair values of the assets and liabilities ensuing from the acquisitions had been determined based on provisional fair values assigned to identifiable assets and liabilities on acquisition date. Any adjustments to these provisional fair values upon finalisation of the detailed Purchase Price Allocation exercise will be recognised in intangible assets within 12 months of the acquisition date as permitted by MFRS 3 “Business Combinations.

Other than the above, there were no changes to the composition of the Group for the financial period under review.

**A12 Capital commitments**

There were no approved capital commitments not provided for at the end of reporting period.

**A13 Significant related party transactions**

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

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

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

**B1 Review of performance**

	Current Quarter ended				Cumulative Quarter ended			
	29 February 2024	28 February 2023	Variance		29 February 2024	28 February 2023	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
<b>Revenue</b>								
Manufacturing	22,644	16,227	6,417	40	45,367	31,137	14,230	46
Trading	4,337	2,205	2,132	97	8,799	4,161	4,638	>100
	<b>26,981</b>	<b>18,432</b>	8,549	46	<b>54,166</b>	<b>35,298</b>	18,868	53
<b>Segment profit</b>								
Manufacturing	7,334	5,931	1,403	24	14,730	10,113	4,617	46
Trading	1,185	554	631	>100	2,690	1,065	1,625	>100
	<b>8,519</b>	<b>6,485</b>	2,034	31	<b>17,420</b>	<b>11,178</b>	6,242	56
Other income	189	86	103	>100	340	217	123	57
Reversal of impairment loss on trade receivables	141	-	141	NC	374	-	374	NC
Unallocated expenses	(3,499)	(2,109)	(1,390)	(66)	(6,239)	(3,771)	(2,468)	(65)
Finance costs	(86)	(5)	(81)	(>100)	(259)	(10)	(249)	(>100)
<b>Profit before tax</b>	<b>5,264</b>	<b>4,457</b>	807	18	<b>11,636</b>	<b>7,614</b>	4,022	53

NC: Not comparable

**Current quarter ended 29 February 2024 (“2Q 2024”) compared with preceding year corresponding quarter ended 28 February 2023 (“2Q 2023”)**

The Group recorded a revenue of RM26.98 million in 2Q 2024, representing an increase of RM8.55 million or 46% compared to RM18.43 million in 2Q 2023. The recently acquired 65%-owned subsidiary, Lee & Yong Aluminium Sdn Bhd (“LYASB”), contributed revenue of RM8.72 million to the manufacturing segment, representing 32% of the total revenue.

The Group recorded a profit before tax of RM5.26 million in 2Q 2024, representing an increase of RM0.81 million or 18% compared to RM4.46 million in 2Q 2023. The increase in profit before tax was mainly attributed to the higher revenue recorded, offset by the lower of overall gross profit margins contribution.

**Cumulative six months ended 29 February 2024 (“YTD 2Q 2024”) compared with preceding year corresponding cumulative six months ended 28 February 2023 (“YTD 2Q 2023”)**

The Group recorded a revenue of RM54.17 million for YTD 2Q 2024, representing an increase of RM18.87 million or 53% compared to RM35.30 million for YTD 2Q 2023. The manufacturing segment witnessed higher revenue by RM14.23 million or 46%, mainly attributed to the revenue contribution from LYASB.

In line with the higher revenue, the Group recorded a profit before tax of RM11.64 million for YTD 2Q 2024, an increase of RM4.02 million or 53% compared to RM7.61 million for YTD 2Q 2023.

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

**B2 Comparison with immediate preceding quarter's results**

	Current Quarter ended 29 February 2024 RM'000	Preceding Quarter ended 30 November 2023 RM'000	Variance	
			RM'000	%
<b>Revenue</b>				
Manufacturing	22,644	22,723	(79)	(<1)
Trading	4,337	4,462	(125)	(3)
	<b>26,981</b>	<b>27,185</b>	(204)	(1)
<b>Segment profit</b>				
Manufacturing	7,334	7,396	(62)	(1)
Trading	1,185	1,505	(320)	(21)
	<b>8,519</b>	<b>8,901</b>	(382)	(4)
Other income	189	151	38	25
Reversal of impairment loss on trade receivables	141	233	(92)	(39)
Unallocated expenses	(3,499)	(2,740)	(759)	(28)
Finance costs	(86)	(173)	87	50
<b>Profit before tax</b>	<b>5,264</b>	<b>6,372</b>	(1,108)	(17)

**Current quarter ended 29 February 2024 ("2Q 2024") compared with immediate preceding quarter ended 30 November 2023 ("1Q 2024")**

The Group recorded a revenue and profit before tax of RM26.98 million and RM5.26 million, respectively in 2Q 2024. The lower profit before tax of RM1.11 million in 2Q 2024 was mainly attributed to the higher payroll related expenses and professional fees incurred.

**B3 Prospects**

Lee & Yong Aluminium Sdn Bhd has been a significant contributor to the Group's financial performance for the financial period ended 29 February 2024, and the positive impact is expected to continue throughout the remainder of the financial year ending 2024.

On the other hand, as part of the Group's efforts for business expansion and revenue diversification, the Group has recently announced that it had entered into a conditional share sale agreement with ETA Industries Sdn Bhd ("the Vendor") for the proposed acquisition of 70% equity interest of ETA World Sdn Bhd, a company involved in the industrial property development and construction activities. The proposed acquisition represents an opportunity for the Group to venture into construction services, specifically into industrial property in view of the favourable outlook and prospects of the industrial property market in Malaysia. The investment risk for the proposed acquisition is mitigated with 3 years' profit guarantee provided by the Vendor.

Premised on the above, the Board is of the view that the future prospects of enlarged Group is favourable.

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

**B4 Profit forecast / Profit guarantee**

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

**B5 Taxation**

	← Unaudited →			
	Current Quarter ended		Cumulative Quarter ended	
	29 February 2024	28 February 2023	29 February 2024	28 February 2023
	RM'000	RM'000	RM'000	RM'000
<b>Current income tax</b>				
Current income tax charge	1,327	1,244	2,910	2,068
<b>Deferred tax</b>				
Origination of temporary differences	(7)	50	2	50
<b>Total tax expense</b>	1,320	1,294	2,912	2,118

The Group's effective tax rates for the current quarter and cumulative quarter ended 29 February 2024 were higher than the statutory income tax rate mainly due to higher non-tax deductible expenses.

**B6 Status of utilisation of proceeds and corporate proposals**

a) Utilisation of proceeds – Public issue

As at 27 October 2023, the IPO proceeds from the public issue amounting to RM18.20 million was utilised in the following manner:

Purpose	Proposed Utilisation RM'000	Actual Utilised RM'000	Unutilised Amount RM'000	Estimated timeframe for utilisation from Listing
Land acquisition and construction of new manufacturing facility <sup>(1)</sup>	5,000	(5,000)	-	Within 36 months <sup>(2)</sup>
Automation of manufacturing process	4,000	(4,000)	-	Within 36 months <sup>(2)</sup>
Working capital	6,200	(6,200)	-	Within 18 months
Estimated listing expenses	3,000	(3,000)	-	Within 1 month
	18,200	(18,200)	-	

**Notes:**

- 1) The Acquisition of Property was completed on 17 January 2023.
- 2) On 21 October 2022, the Company announced the extension of timeframe for the utilisation of proceeds from within 24 months to within 36 months (i.e. by 27 October 2023).

**B6 Status of utilisation of proceeds and corporate proposals (Cont'd)**

b) Status of corporate proposals

- i. On 17 January 2023, the Company announced that it had entered into the following agreements with Yong Kuen Hwan (“the Vendor”):
  - a. conditional share sale agreement for the proposed acquisition of 162,500 ordinary shares in the share capital of Lee & Yong Aluminium Sdn Bhd (“LYASB”) (“LYASB Sale Shares”), representing 65% equity interest in LYASB for a purchase consideration of RM17,200,000 (“SSA 1”) of which RM8,100,000 is to be satisfied by cash and the remaining RM9,100,000 shall be satisfied via the issuance and allotment of 10,459,770 new ordinary shares in the Company at an issue price of RM0.87 per share (“Acquisition 1”); and
  - b. conditional share sale agreement for the acquisition of 29,184 ordinary shares in the share capital of Trans United Sdn Bhd (“TUSB”), representing 100% equity interest in TUSB for a cash purchase consideration of RM1,000,000 (“SSA 2”) (“Acquisition 2”).

On 12 May 2023, the Company entered into a supplemental share sale agreement with the Vendor to vary the number of ordinary shares of LYASB to be acquired pursuant to SSA 1 from 162,500 LYASB Sale Shares to 487,500 LYASB Sale Shares. There was no change to the equity interest in LYASB acquired (i.e. 65% equity interest in LYASB).

The Acquisition 1 and Acquisition 2 were approved by the shareholders on 14 July 2023 and were completed on 8 September 2023.

- ii. On 15 January 2024, the Company announced that it had entered into a conditional share sale agreement with ETA Industries Sdn Bhd (“the Vendor”) for the proposed acquisition of 1,743,000 ordinary shares in the share capital of ETA World Sdn Bhd (“ETAW”), representing 70% equity interest in ETAW for a purchase consideration of RM56,000,000, of which RM28,100,000 is to be satisfied by cash and the remaining RM27,900,000 shall be satisfied via the issuance and allotment of 30,000,000 new ordinary shares in the Company at an issue price of RM0.93 per share (“Proposed Acquisition”).

In conjunction with the Proposed Acquisition, the Company intends to undertake the diversification of the business into construction services and property development, which includes design, build and sale of industrial properties.

On the same date, the Company had also entered into a Shareholders’ Agreement with the Vendor for the purpose of regulating their relationship with one another and to record the terms agreed between them to govern the management and operations in relation to ETAW.

The additional listing application for the Proposed Acquisition was submitted to Bursa Securities on 1 March 2024 and is pending approval.

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

**B7 Loans and borrowings**

The Group's borrowings were as follows:

	<b>Unaudited</b> <b>As at 29/02/2024</b> <b>RM'000</b>	<b>Audited</b> <b>As at 31/08/2023</b> <b>RM'000</b>
<b>Current:</b>		
Term loans	241	80
Lease liabilities	120	66
Hire purchase payables	254	49
Bank overdrafts	2,675	-
Banker acceptances	2,153	-
	5,443	195
<b>Non-current:</b>		
Term loans	1,160	-
Lease liabilities	152	41
Hire purchase payables	595	123
	1,907	164
<b>Total Group's borrowings</b>	7,350	359

**B8 Material litigation**

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

**B9 Dividends**

The Directors have not recommended or declared any dividend for the current financial period ended 29 February 2024.

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

**B10 Earnings per share (“EPS”)**

a) Basic EPS

Basic EPS are based on the profit for the financial period attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial period.

The basic EPS for the current quarter and financial period ended 29 February 2024 are calculated as follows:

	← Unaudited →			
	Current Quarter ended 29 February 2024	28 February 2023	Cumulative Quarter ended 29 February 2024	28 February 2023
Profit attributable to owners of the Company (RM'000)	3,369	3,160	7,771	5,494
Weighted average number of ordinary shares ('000)	340,280	326,040	336,339	325,514
Basic EPS (sen)	0.99	0.97	2.31	1.69

b) Diluted EPS

Diluted EPS are based on the profit for the financial period attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on conversion of all the diluted potential ordinary shares into ordinary shares.

The diluted EPS for the current quarter and financial period ended 29 February 2024 are calculated as follows:

	← Unaudited →			
	Current Quarter ended 29 February 2024	28 February 2023	Cumulative Quarter ended 29 February 2024	28 February 2023
Profit attributable to owners of the Company (RM'000)	3,369	3,160	7,771	5,494
Weighted average number of ordinary shares ('000)	340,280	326,040	336,339	325,514
Adjustment for dilutive effect of warrants ('000)	5,475	1,970	2,738	979
Weighted average number of ordinary shares for diluted EPS ('000)	345,755	328,010	339,077	326,493
Diluted EPS (sen)	0.97	0.96	2.29	1.68



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

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

	←———— Unaudited —————→			
	Current Quarter ended		Cumulative Quarter ended	
	29 February 2024	28 February 2023	29 February 2024	28 February 2023
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):				
Auditors' remuneration				
- current period	63	34	123	69
- prior period	15	12	15	12
Depreciation of				
- property, plant and equipment	382	158	757	277
- investment property	6	-	12	-
Finance costs	86	5	259	10
Interest income	(33)	(60)	(151)	(159)
Reversal of impairment loss on trade receivables	(141)	-	(374)	-
Net realised loss/(gain) on foreign exchange	117	(3)	149	(16)
Rental expense	45	34	91	94

**By Order of the Board**

**CHUA SIEW CHUAN (MAICSA 0777689)**

**Company Secretary**

**Kuala Lumpur**

**22 April 2024**