



# **ACO GROUP BERHAD**

**Company No. 201901020410 (1329739-A)  
(Incorporated in Malaysia)**

## **Interim Financial Report for the First Quarter and Period Ended 31 May 2020**

# ACO GROUP BERHAD

(Company No: 201901020410 (1329739-A))  
(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MAY 2020<sup>(1)</sup>

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER	PRECEDING CORRESPONDING QUARTER <sup>(2)</sup>	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE <sup>(2)</sup>
	31.05.2020	31.05.2019	31.05.2020	31.05.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	11,793	N/A	11,793	N/A
Cost of Sales	(8,838)	N/A	(8,838)	N/A
<b>Gross Profit</b>	<b>2,955</b>	<b>N/A</b>	<b>2,955</b>	<b>N/A</b>
Other Income	266	N/A	266	N/A
Administrative Expenses	(3,984)	N/A	(3,984)	N/A
<b>Loss from operations</b>	<b>(763)</b>	<b>N/A</b>	<b>(763)</b>	<b>N/A</b>
Finance Costs	(182)	N/A	(182)	N/A
<b>Loss before tax</b>	<b>(945)</b>	<b>N/A</b>	<b>(945)</b>	<b>N/A</b>
Income tax expense	(70)	N/A	(70)	N/A
<b>Loss for the financial period, representing total comprehensive loss for the financial period</b>	<b>(1,015)</b>	<b>N/A</b>	<b>(1,015)</b>	<b>N/A</b>
<b>Loss attributable to : Owner of the Company</b>	<b>(1,015)</b>	<b>N/A</b>	<b>(1,015)</b>	<b>N/A</b>
Basic and diluted loss per share (sen) <sup>(4)</sup>	(0.35) <sup>(3)</sup>	N/A	(0.35) <sup>(3)</sup>	N/A

# ACO GROUP BERHAD

(Company No: 201901020410 (1329739-A))  
(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D) QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MAY 2020<sup>(1)</sup>

### Notes:-

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 29 February 2020 and the accompanying explanatory notes attached to this interim financial report.
  - (2) No comparative figures for the preceding corresponding quarter and year to date are available as the Company was only listed on the ACE Market of Bursa Malaysia Securities Berhad on 18 March 2020 and there is no interim financial report prepared for the comparative preceding quarter period.
  - (3) Computation on basic loss per share is based on the Company's weighted average number of ordinary shares during the period under review.
  - (4) The diluted loss per share of the Group for the current quarter and year to date are equivalent to the basic loss per share as the Group does not have any convertible options as at the end of the reporting period.
- N/A Not applicable.

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# ACO GROUP BERHAD

(Company No: 201901020410 (1329739-A))  
(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2020<sup>(1)</sup>

	UNAUDITED 31.05.2020 RM'000	AUDITED 29.02.2020 RM'000
<b>Non Current Assets</b>		
Property, plant and equipment	17,927	18,127
Right-of-use assets	5,149	5,310
Investment properties	6,450	6,450
	<u>29,526</u>	<u>29,887</u>
<b>Current Assets</b>		
Inventories	36,035	35,381
Trade and other receivables	28,475	32,877
Prepayments	648	921
Current tax assets	26	22
Cash and short-term deposits	19,345	5,855
	<u>84,529</u>	<u>75,056</u>
<b>Current Liabilities</b>		
Trade and other payables	23,473	31,063
Lease liabilities	253	240
Current tax liabilities	872	956
Loans and borrowings	21,086	18,812
	<u>45,684</u>	<u>51,071</u>
<b>Net Current Assets</b>	38,845	23,985
	<u>68,371</u>	<u>53,872</u>
<b>Financed by:</b>		
Share capital	51,903	36,301
Reserves	6,813	7,828
	<u>58,716</u>	<u>44,129</u>
<b>Non Current Liabilities</b>		
Deferred tax liabilities	362	362
Lease liabilities	453	520
Loans and borrowings	8,840	8,861
	<u>9,655</u>	<u>9,743</u>
	<u>68,371</u>	<u>53,872</u>
<b>Number of issued shares ('000)</b>	300,000	242,000
<b>Net assets per share (RM)</b>	<u>0.20</u>	<u>0.18</u>

Notes:-

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 29 February 2020 and the accompanying explanatory notes attached to this interim financial report.

# ACO GROUP BERHAD

(Company No: 201901020410 (1329739-A))  
(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MAY 2020<sup>(1)</sup>

<----- ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY ----->

<----- NON-DISTRIBUTABLE ----->      DISTRIBUTABLE

	SHARE CAPITAL RM'000	REORGANISA- TION RESERVE RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000
Balance as at 1 March 2020	36,301	(27,860)	35,688	44,129
Total comprehensive loss for the period	-	-	(1,015)	(1,015)
Transactions with owners:				
Issue of ordinary shares of the Company	15,602	-	-	15,602
Balance as at 31 May 2020	<u>51,903</u>	<u>(27,860)</u>	<u>34,673</u>	<u>58,716</u>

Notes:-

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 29 February 2020 and the accompanying explanatory notes attached to this interim financial report.

# ACO GROUP BERHAD

(Company No: 201901020410 (1329739-A))

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## UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MAY 2020<sup>(1)</sup>

	CURRENT YEAR TO DATE 31.05.2020 RM'000	PRECEDING YEAR TO DATE <sup>(2)</sup> 31.05.2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(945)	N/A
Adjustments for:		
Discount on lease liabilities payments	(8)	N/A
Depreciation on property, plant and equipment	252	N/A
Depreciation on right-of-use assets	170	N/A
Finance costs	182	N/A
Interest income	(38)	N/A
Bad debts recoverable	(6)	N/A
Operating loss before working capital changes	(393)	N/A
Changes in working capital:		
Inventories	(654)	N/A
Trade and other receivables	4,407	N/A
Prepayments	273	N/A
Trade and other payables	(7,590)	N/A
Net cash used in operations	(3,957)	N/A
Income tax paid	(158)	N/A
Interest received	38	N/A
Interest paid	(20)	N/A
<b>Net Cash Flows Used In Operating Activities</b>	(4,097)	N/A
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	(52)	N/A
<b>Net Cash Flows Used In Investing Activity</b>	(52)	N/A

# ACO GROUP BERHAD

(Company No: 201901020410 (1329739-A))

(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONT'D) QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MAY 2020<sup>(1)</sup>

	CURRENT YEAR TO DATE 31.05.2020 RM'000	PRECEDING YEAR TO DATE <sup>(2)</sup> 31.05.2019 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	15,602	N/A
Repayment of term loans	(50)	N/A
Repayment of finance lease liabilities	(81)	N/A
Proceeds from banker's acceptances	1,450	N/A
Repayment of banker's acceptances	(384)	N/A
Proceeds from trust receipts	4,541	N/A
Repayment of trust receipts	(2,841)	N/A
Interest paid	(117)	N/A
Payment of lease liabilities	(55)	N/A
<b>Net Cash Flows From Financing Activities</b>	<b>18,065</b>	<b>N/A</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>13,916</b>	<b>N/A</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>2,799</b>	<b>N/A</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>16,715</b>	<b>N/A</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD:-</b>		
Cash and bank balances	18,273	N/A
Fixed deposits with licenced banks	1,072	N/A
Bank overdraft	(1,610)	N/A
	<b>17,735</b>	<b>N/A</b>
Less: Deposits pledged	(1,020)	N/A
	<b>16,715</b>	<b>N/A</b>

### Notes:-

- (1) The basis of preparation of the Unaudited Condensed Consolidated Cash Flow Statement are disclosed in Note A1 and should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 29 February 2020 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding year-to-date are available as the Company was only listed on the ACE Market of Bursa Malaysia Securities Berhad on 18 March 2020 and there is no interim financial report prepared for the comparative preceding quarter period.

N/A Not applicable.

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# ACO GROUP BERHAD

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## A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

### A1 Basis of preparation

The interim financial report of the Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB") and Rule 9.22 of the ACE Market Listing Requirements ("Listing Requirements").

This interim financial report for the first quarter ended 31 May 2020 is announced by the Company in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). As the Company was only listed on the ACE Market of Bursa Securities on 18 March 2020, there are no comparative figures for the preceding quarter and year-to-date available, as no interim financial report was prepared for the comparative financial period concerned.

This interim financial report should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 29 February 2020 and the accompanying explanatory notes attached to this interim financial report.

### A2 Significant Accounting Policies

The accounting policies adopted by the Group in this interim financial report are consistent with those as disclosed in the Audited Financial Statements of the Company for the financial year ended 29 February 2020, save for the early adoption of the following amendment which is applicable to the Group:-

#### Effective for financial periods beginning on or after 1 June 2020

Amendment to MFRS 16 Leases, Covid-19 Related Rent Concessions

The initial application of the above amendment does not have any material impact to this interim financial report of the Group.

#### Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective.

#### Effective for financial periods beginning on or after 1 January 2021

MFRS 17 - Insurance Contracts

#### Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3 - Business Combinations, Reference to the Conceptual Framework

Annual Improvements to MFRS Standards 2018 - 2020

Amendments to MFRS 101 - Classification of Liabilities as Current or Non-current

Amendments to MFRS 116 - Property, Plant and Equipment, Proceeds before Intended Use

Amendments to MFRS 137 - Provisions, Contingent liabilities and contingent Assets, Onerous Contracts - Cost of Fulfilling a Contract

#### Effective date yet to be determined by Malaysian Accounting Standards Board

Amendments to MFRS 10 and MFRS128 - Sale or Contribution of Assets between an Investor and its Associate or Joint-Venture

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material effect to the financial statements of the Group upon their initial application.

### A3 Auditors' report on preceding annual financial statements

The auditors' report for the financial year ended 29 February 2020 was not subject to any qualifications.

### A4 Seasonal or cyclical factors

The Group's operations for the current financial quarter under review were not subject to any seasonal or cyclical factors.



# ACO GROUP BERHAD

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## A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

### A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence for the financial quarter under review.

### A6 Changes in estimates, significant accounting estimates and judgements

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

### A7 Debt and equity securities

There were no significant issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial quarter under review save for the below:-

	AMOUNT RM'000	NUMBER OF SHARES '000
Issued and fully paid shares		
At 1 March 2020	36,301	242,000
Issue of ordinary shares of the Company	15,602 *	58,000
At 31 May 2020	51,903	300,000

\* After netting off the listing expenses amounting to RM0.638 million pursuant to the Company's initial public offering ("IPO").

#### IPO

- (1) Public issue of 58,000,000 new ordinary shares in the Company at an issue price of RM0.28 per share ("IPO Price") allocated in the following manner:-
  - (a) 15,000,000 new ordinary shares in the Company made available for application by the Malaysian public through a balloting process, of which 7,500,000 shares is to be set aside for Bumiputera investors;
  - (b) 9,000,000 new ordinary shares in the Company made available for application by the eligible directors, employees and persons who have contributed to the success of the Group;
  - (c) 4,000,000 new ordinary shares in the Company made available by way of private placement to identified investors; and
  - (d) 30,000,000 new ordinary shares in the Company made available by way of private placement to Bumiputera investors approved by the Ministry of International Trade and Industry.
- (2) Offer for sale of 25,000,000 existing shares by way of private placement to identified investors at IPO Price.

The Company completed its IPO exercise on 18 March 2020.

### A8 Dividends paid

There was no dividend paid by the Company during the current financial quarter under review.

# ACO GROUP BERHAD

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## A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

### A9 Segment information

Segmental reporting of the Group's result for the current financial period under review is as follows:-

BUSINESS SEGMENT	INDUSTRIAL USERS RM'000	RESELLERS RM'000	OTHERS RM'000	ADJUSTMENT AND ELIMINATIONS RM'000	TOTAL RM'000
<b>Revenue</b>					
Revenue from external customers	9,189	2,604	-	-	11,793
Inter-segment revenue	1,023	-	-	(1,023)	-
External revenue	<u>10,212</u>	<u>2,604</u>	<u>-</u>	<u>(1,023)</u>	<u>11,793</u>
<b>Segment profit</b>	2,580	375	-	-	2,955
Other income					266
Unallocated expenses					(3,984)
Finance Costs					(182)
Income Tax Expense					<u>(70)</u>
Loss for the financial period					<u>(1,015)</u>

There is no comparative figures for the preceding period available as the Company was only listed on the ACE Market of Bursa Securities on 18 March 2020 and there is no interim financial report prepared for the preceding corresponding quarter.

### A10 Significant events subsequent to the end of the interim financial period

There were no other material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report, save for the following:-

- (i) On 4 June 2020, the Company's wholly-owned subsidiary, Actgen Industry Sdn. Bhd. ("Actgen") had entered into a business collaboration agreement with Prima Nexus Sdn. Bhd. ("Business Collaboration Agreement") to promote and sell rapid test kits, diagnosis materials and personal protective equipment required to conduct health screening amidst the COVID-19 pandemic.
- (ii) On 23 July 2020, the Company's wholly-owned subsidiary company, Actgen had entered into a Sales and Purchase Agreement ("SPA") with Plascable Polymer Sdn. Bhd. for the purchase of remaining unexpired lease terms for a period of approximately 40 years for a parcel of freehold industrial land held under geran H. S. (D) 493851, PTD 76050, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor together with a single-storey detached factory with three-storey office, one and half-storey detached factory, a single-storey detached warehouse, a Tenaga Nasional Berhad sub-station, a guardhouse and a water tank erected thereon for a cash consideration of RM10.650 million ("Proposed Purchase"). Barring any unforeseen circumstances, the Proposed Purchase is expected to be completed within four (4) months from the date of SPA.

### A11 Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial current quarter under review.

### A12 Fair value of financial instruments

There were no gain or loss arising from fair value changes for all financial assets and liabilities for the current financial quarter under review.

# ACO GROUP BERHAD

(Company No: 201901020410 (1329739-A))

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## A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

### A13 Capital commitments

As at 31 May 2020, the Group has no other capital commitments during the current financial quarter under review save as disclosed below:-

	AS AT 31.05.2020 RM'000
Approved but not contracted for:-	
Property, plant and equipment	17,961

### A14 Contingent assets and contingent liabilities

There were no other contingent assets or contingent liabilities as at the date of this interim financial report.

### A15 Significant related party transactions

The related party transactions of the Group have been entered into in the normal course of business. Listed below are the significant transactions with related parties of the Group during the current financial period under review.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.05.2020 RM'000	PRECEDING CORRESPON- DING QUARTER 31.05.2019 RM'000	CURRENT YEAR TO DATE 31.05.2020 RM'000	PRECEDING YEAR TO DATE 31.05.2019 RM'000
Entity owned by persons connected to a director				
Sales of goods	3	N/A	3	N/A

There is no comparative figures for the preceding year-to-date available as the Company was only listed on the ACE Market of Bursa Malaysia Securities Berhad on 18 March 2020 and there is no interim financial report prepared for the comparative preceding corresponding quarter.

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# ACO GROUP BERHAD

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

### B1 Review of performance

The Group recorded revenue of RM11.793 million and loss before tax of RM1.015 million for the current financial quarter ended 31 May 2020. The Group's revenue segment consists of RM9.189 million or 77.9% sales to industrial users and RM2.604 million or 22.1% sales to resellers. The Group's loss after tax was at RM1.015 million for the current financial quarter ended 31 May 2020, after recognising listing expenses of RM1.057 million. By excluding the listing expenses of RM1.057 million, the Group would have recorded a marginal profit after tax of RM0.042 million. Significant dropped in the sales and profits of the Group was due to the weaker consumer sentiments following the Covid-19 virus pandemic and business closure during the Movement Control Order ("MCO") as announced by the Government from 18 March 2020 to 3 May 2020.

No comparative figures for the preceding corresponding quarter and year-to-date are available as the Company was only listed on the ACE Market of Bursa Malaysia Securities Berhad on 18 March 2020 and there is no interim financial report prepared for the comparative financial quarter concerned.

### B2 Variation of results against preceding quarter

	INDIVIDUAL QUARTER		VARIANCE	
	CURRENT QUARTER	PRECEDING QUARTER		
	31.05.2020 RM'000	29.02.2020 RM'000	RM'000	%
Revenue	11,793	30,447	(18,654)	-61.3%
(Loss)/Profit before tax	<u>(945)</u>	<u>1,980</u>	(1,035)	-52.3%

The Group's revenue for the current financial quarter ended 31 May 2020 decreased by RM18.654 million or 61.3% to RM11.793 million as compared to RM30.447 million in the preceding financial quarter ended 29 February 2020. The decrease in revenue was due to the weaker consumer sentiments following the Covid-19 virus pandemic and business closure during the MCO from 18 March 2020 to 3 May 2020.

The Group's loss before tax for the current financial quarter ended 30 May 2020 of RM0.945 million represents a decrease of RM1.035 million or 52.3% for the current financial quarter under review as compared to RM1.980 million profit before tax in the preceding financial quarter ended 29 February 2020. The reasons for the loss before tax in the current financial quarter are due to lower sales revenue as a result of weaker consumer sentiments and business closure from MCO, and recognition of listing expenses of RM1.057 million.

### B3 Prospects

With the unprecedented economic situation resulted by COVID-19 which has led to uncertainties in businesses globally and having considered the current and near-term economic prospect, the Group is cautious on its outlook for the financial year 2020/2021, but remains positive on the long-term potential of the Group. The Group remains committed in carrying out its future plans to enhance its long-term business and operational resilience.

Ever since the Group resumed its business operations on 4 May 2020 following the MCO imposed by the Government, there has been a progressive recovery in the Group's sales. As at the date of this report, the Group's sales have almost recovered back to its pre-MCO level. With the Group's operational activities now resumed, the Group is to re-embark on its expansion plan, among others, increasing its business coverage and market presence via the set-up and/or acquisition of new operational facilities and product range as well as to expedite the deployment and rollout of digitalization efforts in upgrading works on the Group's information technology system.

Looking forward, the Group believes that there is a good prospect for the Group as a distributor of electrical products since it is also correlated with the development of construction and power sectors, which serve as the major user industries for electrical products. Population growth and development of these industries augur well for the Group as they translate to stronger demand for electrical products and accessories.

The Board is cautiously optimistic of the Group's business expansion and growth in the near term and will continue to pursue our expansion strategies, supported by our IPO proceeds as disclosed in Note B7.

# ACO GROUP BERHAD

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## B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

### B4 Profit forecast

The Group did not issue any profit forecast or guarantee during the current financial quarter under review.

### B5 Income tax expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.05.2020 RM'000	PRECEDING CORRESPON- DING QUARTER 31.05.2019 RM'000	CURRENT YEAR TO DATE 31.05.2020 RM'000	PRECEDING YEAR TO DATE 31.05.2019 RM'000
In respect of the current period:				
Malaysian income tax	70	N/A	70	N/A
Effective tax rate (%)	-7%	N/A	-7%	N/A

The Group's effective tax rate for the financial quarter under review is at -7% which is lower than the statutory tax rate of 24%. The comparatively lower effective tax rate was mainly due to the non tax deductible expenses on the listing expenses of RM1.057 million.

Income tax expense is recognised based on management's best estimate.

No comparative figures for the preceding corresponding quarter and year to date are available as the Company was only listed on the ACE Market of Bursa Malaysia Securities Berhad on 18 March 2020 and there is no interim financial report prepared for the comparative financial quarter concerned.

### B6 Status of corporate proposals

Save as disclosed in Note A10, there are no other corporate proposals announced by the Company but not completed as at date of this report.

### B7 Utilisation of proceeds raised from public issue

In conjunction with the Company's listing on the ACE Market of Bursa Malaysia Securities Berhad on 18 March 2020, the gross proceeds raised from the public issue amounting to RM16.240 million and status of utilisation as at 31 May 2020 is disclosed in the following manner:-

Purposes	PROPOSED UTILISATION RM'000	ACTUAL UTILISATION RM'000	ESTIMATED TIME FRAME FOR USE OF PROCEEDS FROM THE LISTING DATE
Setting up of new sales outlets and lighting concept store	4,200	-	Within 24 months
Setting up of new head office and distribution centre in Johor	2,500	-	Within 30 months
Purchasing of new trucks and upgrading of IT systems	2,000	-	Within 12 months
Working capital	4,240	-	Within 12 months
Estimated listing expenses	3,300	3,300	Within 3 months
	<u>16,240</u>	<u>3,300</u>	

The utilisation of proceeds as disclosed above should be read together with the Prospectus of the Company dated 27 February 2020.

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## B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

### B8 Group's borrowings and debt securities

The Group's borrowings are as follows:-

	PAYABLE WITHIN 12 MONTHS RM'000	PAYABLE AFTER 12 MONTHS RM'000	TOTAL OUTSTANDING RM'000
<b><u>Secured borrowings</u></b>			
Banker's acceptances	4,802	-	4,802
Trust receipts	13,780	-	13,780
Hire purchases	346	604	950
Overdraft	1,610	-	1,610
Term loans	548	8,236	8,784
	<u>21,086</u>	<u>8,840</u>	<u>29,926</u>

The secured bank borrowings and other facilities are secured by way of :-

- (a) legal charges over freehold land and buildings of subsidiaries;
- (b) legal charges over freehold land and buildings of a related party;
- (c) corporate guarantee by the subsidiaries;
- (d) joint and several guarantee by the Company's directors and key management personnel;
- (e) legal charges over fixed deposits of a subsidiary; and
- (f) legal charges over investment properties.

The bank borrowings and other facilities are denoted in local currency.

### B9 Material litigations

As at the date of this report, the Group is not engaged in any material litigation.

### B10 Proposed dividends

No dividends have been declared or recommended for payment by the Company during the current financial quarter under review.

### B11 Basic and diluted loss per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.05.2020	PRECEDING CORRESPON- DING QUARTER 31.05.2019	CURRENT YEAR TO DATE 31.05.2020	PRECEDING YEAR TO DATE 31.05.2019
Net loss for the period attributable to ordinary equity holders of the company (RM'000)	<u>(1,015)</u>	<u>N/A</u>	<u>(1,015)</u>	<u>N/A</u>
Weighted average number of shares in issue ('000)	<u>289,283</u>	<u>N/A</u>	<u>289,283</u>	<u>N/A</u>
Basic and diluted loss per share (sen)	<u>(0.35)</u>	<u>N/A</u>	<u>(0.35)</u>	<u>N/A</u>

# ACO GROUP BERHAD

(Company No: 201901020410 (1329739-A))

(Incorporated in Malaysia)

## B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

### B11 Basic and diluted loss per share (Cont'd)

Notes:

- (1) The basic loss per share is computed based on loss after tax attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue during the financial period under review.
- (2) The diluted loss per share of the Group for the quarter is equivalent to the basic loss per share as the Group does not have any convertible options as at the end of the reporting period.
- (3) No comparative figures for the preceding corresponding quarter and year to date are available as the Company was only listed on the ACE Market of Bursa Securities on 18 March 2020 and there is no interim financial report prepared for the comparative financial quarter concerned.

N/A Not applicable.

### B12 Notes to the statement of comprehensive income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER	PRECEDING CORRESPON- DING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	31.05.2020	31.05.2019	31.05.2020	31.05.2019
	RM'000	RM'000	RM'000	RM'000
The following amounts have been included in arriving at loss before tax:-				
Finance costs	182	N/A	182	N/A
Depreciation on property, plant and equipment	252	N/A	252	N/A
Depreciation on right-of-use assets	170	N/A	170	N/A
Equipment rental expenses	15	N/A	15	N/A
and after crediting:				
Interest income	38	N/A	38	N/A
Insurance Compensation	72	N/A	72	N/A
Rental income	54	N/A	54	N/A
Bad debts recoverable	6	N/A	6	N/A

No comparative figures for the preceding corresponding quarter and year to date are available as the Company was only listed on the ACE Market of Bursa Malaysia Securities Berhad on 18 March 2020 and there is no interim financial report prepared for the comparative comparative financial quarter concerned..

By Order of the Board

Date: 24 July 2020