



# **ACO GROUP BERHAD**

**Company No. 201901020410 (1329739-A)**

**(Incorporated in Malaysia)**

## **Interim Financial Report For the Quarter and Financial Year Ended 29 February 2024**

# 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 QUARTER AND FINANCIAL YEAR ENDED 29 FEBRUARY 2024 <sup>(1)</sup>

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 29.02.2024 Unaudited RM'000	PRECEDING CORRESPOND- ING QUARTER 28.02.2023 Unaudited RM'000	CURRENT YEAR-TO- DATE 29.02.2024 Unaudited RM'000	PRECEDING YEAR-TO- DATE 28.02.2023 Audited RM'000
Revenue	35,651	27,735	137,409	132,507
Cost of sales	(30,761)	(24,163)	(118,265)	(113,844)
<b>Gross profit</b>	<b>4,890</b>	<b>3,572</b>	<b>19,144</b>	<b>18,663</b>
Other income	221	1,060	1,143	1,774
Administrative expenses	(4,034)	(4,018)	(15,036)	(14,451)
<b>Profit from operations</b>	<b>1,077</b>	<b>614</b>	<b>5,251</b>	<b>5,986</b>
Finance costs	(150)	(182)	(667)	(734)
Share of results of an associate	82	125	277	2,263
<b>Profit before tax</b>	<b>1,009</b>	<b>557</b>	<b>4,861</b>	<b>7,515</b>
Income tax expense	(504)	(344)	(1,837)	(1,774)
<b>Profit for the financial period/year</b>	<b>505</b>	<b>213</b>	<b>3,024</b>	<b>5,741</b>
<b>Other comprehensive income, net of tax</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Revaluation of property, plant and equipment upon transfer of properties to investment properties	306	-	306	-
<b>Total Comprehensive income for the financial period/year</b>	<b>811</b>	<b>213</b>	<b>3,330</b>	<b>5,741</b>
<b>Total comprehensive income attributable to:</b>				
Owner of the company	811	213	3,330	5,741
	811	213	3,330	5,741
Basic and diluted earnings per share (sen) <sup>(2) (3)</sup>	0.15	0.06	0.87	1.65

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(Company No.: 201901020410 (1329739-A))

(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME QUARTERLY REPORT ON THE RESULTS FOR THE QUARTER AND FINANCIAL YEAR ENDED 29 FEBRUARY 2024<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 28 February 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Computation on basic earnings per share is based on the Company's weighted average number of ordinary shares during the financial period under review.
- (3) The diluted earnings per share of the Group for the current quarter and year-to-date are equivalent to the basic earnings per share as the Group does not have any convertible options as at the end of the reporting period.

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# ACO GROUP BERHAD

(Company No.: 201901020410 (1329739-A))

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2024<sup>(1)</sup>

	UNAUDITED 29.02.2024 RM'000	AUDITED 28.02.2023 RM'000
<b>Non-Current Assets</b>		
Property, plant, and equipment	13,659	18,655
Right-of-use assets	13,540	14,160
Investment properties	6,200	4,600
Investment in an associate	18,983	12,336
Other investment	1,017	1,017
Deferred tax assets	98	44
	<u>53,497</u>	<u>50,812</u>
<b>Current Assets</b>		
Inventories	48,425	46,392
Trade and other receivables	37,465	29,528
Prepayments	400	420
Current tax assets	126	292
Cash and short-term deposits	18,036	21,095
	<u>104,452</u>	<u>97,727</u>
<b>Current Liabilities</b>		
Trade and other payables	42,878	32,573
Lease liabilities	142	191
Current tax liabilities	345	180
Loans and borrowings	11,731	11,573
	<u>55,096</u>	<u>44,517</u>
<b>Net current assets</b>	49,356	53,210
	<u>102,853</u>	<u>104,022</u>
<b>Financed by:</b>		
Share capital	67,622	67,622
Reserves	24,477	21,842
	<u>92,099</u>	<u>89,464</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	758	666
Lease liabilities	116	99
Loans and borrowings	9,880	13,793
	<u>10,754</u>	<u>14,558</u>
	<u>102,853</u>	<u>104,022</u>
Number of issued shares ('000)	347,371	347,371
Net assets per share (RM)	<u>0.27</u>	<u>0.26</u>

Note:-

- (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 28 February 2023 and the accompanying explanatory notes attached to this interim financial report.

# ACO GROUP BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY QUARTERLY REPORT ON THE RESULTS FOR THE QUARTER AND FINANCIAL YEAR ENDED 29 FEBRUARY 2024<sup>(1)</sup>

	< -- ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY --> < --- NON-DISTRIBUTABLE ---- >                      DISTRIBUTABLE				
	SHARE CAPITAL RM'000	REVALUATION RESERVE RM'000	REORGANISA- TION RESERVE RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000
<b>Balance as at 1 March 2022</b>	67,622	-	(27,861)	44,656	84,417
Total comprehensive profit for the year	-	-	-	5,741	5,741
Transactions with owners:					
Interim Dividend	-	-	-	(694)	(694)
<b>Balance as at 28 February 2023 (Audited)</b>	<b>67,622</b>	<b>-</b>	<b>(27,861)</b>	<b>49,703</b>	<b>89,464</b>

Note:-

- (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 28 February 2023 and the accompanying explanatory notes attached to this interim financial report.

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

Note:-

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# ACO GROUP BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE QUARTER FINANCIAL YEAR ENDED 29 FEBRUARY 2024<sup>(1)</sup>

	CURRENT YEAR- TO-DATE 29.02.2024 Unaudited RM'000	PRECEDING YEAR- TO-DATE 28.02.2023 Audited RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,861	7,515
Adjustments for:		
Bad debts recoverable	(11)	(7)
Bad debts written off	129	-
Depreciation on property, plant and equipment	1,512	1,416
Depreciation on right-of-use assets	759	816
Finance costs	667	734
Gain on disposal of property, plant and equipment	(485)	(1,027)
Impairment losses on trade receivables	101	52
Interest income	(251)	(231)
Inventories written off	23	-
Inventories written down	102	-
Property, plant and equipment written off	275	-
Reversal of impairment losses on trade receivables	(51)	(234)
Share of results of an associate	(277)	(2,264)
Operating profit before changes in working capital	7,354	6,770
Changes in working capital:		
Inventories	(2,158)	(4,384)
Prepayments	20	(75)
Trade and other payables	4,935	(5,519)
Trade and other receivables	(8,106)	4,789
Net cash generated from operations	2,045	1,581
Income tax paid	(1,506)	(1,797)
Income tax refund	4	-
Interest paid	(6)	(3)
Interest received	251	231
<b>Net cash flows generated from operating activities</b>	<b>788</b>	<b>12</b>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Acquisition of an associate	(1,000)	-
Increase/(Decrease) in deposits pledged	277	(333)
Proceeds from disposal of property, plant and equipment	3,367	2,958
Purchase of property, plant and equipment	(897)	(1,938)
<b>Net cash flows generated from investing activity</b>	<b>1,747</b>	<b>687</b>

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## UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONT'D) QUARTERLY REPORT ON THE RESULTS FOR THE QUARTER AND FINANCIAL YEAR ENDED 29 FEBRUARY 2024<sup>(1)</sup>

	CURRENT YEAR- TO-DATE 29.02.2024 Unaudited RM'000	PRECEDING YEAR- TO-DATE 28.02.2023 Audited RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loans	(4,083)	(794)
Repayment of finance lease liabilities	(134)	(201)
Proceeds from banker's acceptances	22,125	9,779
Repayment of banker's acceptances	(17,026)	(8,896)
Proceeds from trust receipts	12,180	27,472
Repayment of trust receipts	(16,816)	(29,437)
Payment of lease liabilities	(205)	(218)
Interest paid	(662)	(731)
Dividend paid	(695)	(694)
<b>Net cash flows used in financing activities</b>	<b>(5,316)</b>	<b>(3,720)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,781)</b>	<b>(3,021)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>19,686</b>	<b>22,707</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>16,905</b>	<b>19,686</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR:-</b>		
Cash and bank balances	15,762	19,569
Fixed deposits with licensed banks	2,274	1,526
	18,036	21,095
Less: Deposits pledged	(1,131)	(1,409)
	16,905	19,686

Note:-

- (1) The basis of preparation of 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 28 February 2023 and the accompanying explanatory notes attached to this interim financial report.

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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”).

The interim financial report should be read in conjunction with the Company’s Audited Financial Statements for the financial year ended 28 February 2023 and the accompanying explanatory notes attached to this interim financial report.

### A2 Material 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 28 February 2023, save for the following:-

#### **MFRS and Amendments to MFRSs in issue but not yet effective**

The Group has not adopted the following Standards and Amendments to MFRS effective for annual periods beginning on or after 1 January 2024:

- Amendments to MFRS 16 *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101 *Presentation of Financial Statements – Non-current Liabilities with Covenants*
- Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosure - Supplier Finance Arrangements*

The Group has not adopted the following Standards and Amendments to MFRS effective for annual periods beginning on or after 1 January 2025:

- Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*

#### **MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after a date yet to be confirmed**

- Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures – Sales 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 on the financial statements of the Group upon their initial application.

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

### **A2 Significant Accounting Policies (Cont'd)**

#### **MFRSs, Amendments to MFRSs not applicable**

- MFRS 17 *Insurance Contracts, Amendments to MFRS 17 Insurance Contracts*, and Amendment to MFRS 17 – *Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 financial Instruments – Comparative Information*.

Comparative Information are not expected to be applicable to the Group.

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

The auditors' report for the financial year ended 28 February 2023 was not subject to any qualifications.

### **A4 Seasonal or cyclical factors**

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

### **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/year 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/year under review.

### **A7 Debts and equity securities**

There were no significant issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial quarter/year under review.

### **A8 Dividends paid**

There was no dividend paid during the current financial quarter/year under review.

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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 are as follows:-

**Current year to date ended 29 February 2024**  
**(Unaudited)**

<b>BUSINESS SEGMENT</b>	<b>INDUSTRIAL USERS RM'000</b>	<b>RESELLERS RM'000</b>	<b>ADJUSTMENT AND ELIMINATIONS RM'000</b>	<b>TOTAL RM'000</b>
<b>Revenue</b>				
Revenue from external customers	105,805	31,604	-	137,409
Internal-segment revenue	5,970	-	(5,970)	-
External revenue	<u>111,775</u>	<u>31,604</u>	<u>(5,970)</u>	<u>137,409</u>
<b>Segment profit</b>	16,207	2,937	-	19,144
Other income				1,143
Administrative expenses				(15,036)
Finance costs				(667)
Share of results of an associate				277
Income tax expense				<u>(1,837)</u>
Profit for the financial year				<u>3,024</u>

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# 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 are as follows:-

**Preceding year to date ended 28 February 2023  
(Audited)**

<b>BUSINESS SEGMENT</b>	<b>INDUSTRIAL USERS RM'000</b>	<b>RESELLERS RM'000</b>	<b>ADJUSTMENT AND ELIMINATIONS RM'000</b>	<b>TOTAL RM'000</b>
<b>Revenue</b>				
Revenue from external customers	110,170	22,337	-	132,507
Internal-segment revenue	6,988	-	(6,988)	-
External revenue	<u>117,158</u>	<u>22,337</u>	<u>(6,988)</u>	<u>132,507</u>
<b>Segment profit</b>	15,849	2,814	-	18,663
Other income				1,774
Administrative expenses				(14,451)
Finance costs				(734)
Share of results of an associate				2,263
Income tax expense				<u>(1,774)</u>
Profit for the financial year				<u>5,741</u>

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

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

There were no other material events subsequent to the end of the current financial quarter/year under review that have not been reflected in this interim financial report.

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

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

### **A13 Capital commitments**

There were no capital commitments at the end of the financial quarter/year under review.

### **A14 Contingent assets and contingent liabilities**

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

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

### 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 quarter/year under review:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 29.02.2024 Unaudited RM'000	PRECEDING CORRESPON- DING QUARTER 28.02.2023 Unaudited RM'000	CURRENT YEAR-TO-DATE 29.02.2024 Unaudited RM'000	PRECEDING YEAR-TO-DATE 28.02.2023 Audited RM'000
<b>Associated company</b>				
Sales of goods	201	409	1,654	2,163
Purchase of goods	98	121	299	405

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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

#### Performance of the current quarter against the preceding year corresponding quarter

The Group reported a revenue of RM35.651 million for the current financial quarter, marking a 28.5% increase or RM7.916 million higher than the RM27.735 million recorded in the preceding year's corresponding quarter. This revenue increase can be attributed to both improvements in the current quarter's performance and a lower revenue base from the same quarter last year. In tandem with the higher revenue, the current quarter's gross profit ("GP") of RM4.890 million is 36.9% or RM1.318 million higher than that of the preceding year's corresponding quarter.

There was a decrease in other income by RM0.839 million due to a gain on disposal of a property that was recorded in the preceding year corresponding quarter. Overall, the current financial quarter records a higher profit before tax (PBT) of RM1.009 million, reflecting a 81.1% increase or RM0.452 million from the PBT of RM0.557 million in the preceding year's corresponding quarter.

#### Performance of the current year-to-date against the preceding year-to-date

The Group recorded a cumulative revenue of RM137.409 million for the current year-to-date ("YTD"), a slight increase of 3.7% or RM4.902 million compared to the preceding YTD revenue of RM132.507 million. With higher revenue, the Group's GP of RM19.144 million for the current YTD is 2.6% or RM0.481 million higher than the preceding YTD GP of RM18.663 million.

However, the cumulative PBT of RM4.861 million for the current YTD dropped by 35.3% or RM2.654 million compared to the cumulative PBT of RM7.515 million in the previous YTD. The decline is attributed to a substantially lower share of results of an associate and increased administrative cost in the current YTD, in addition to a gain from disposal of a property in the preceding YTD.

### B2 Comparison with preceding financial quarter's results

	INDIVIDUAL QUARTER			
	CURRENT	PRECEDING		
	QUARTER	QUARTER		
	29.02.2024	30.11.2023		
	RM'000	RM'000	Variance	%
Revenue	35,651	36,829	(1,178)	(3.2)
PBT	<u>1,009</u>	<u>1,532</u>	(523)	(34.1)

The Group's revenue for the current quarter decreased by 3.2% or RM1.178 million due to a decline in sales performance. Meanwhile, PBT was reduced by 34.1% or RM0.523 million due to a gain from the disposal of a property recorded in the preceding quarter. Overall, the Group posted a PBT of RM1.009 million in the current financial quarter against the RM1.532 million recorded in the preceding financial quarter.

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

### **B3 Prospects**

The Malaysian economy expanded by 3% in the fourth quarter of 2023 (3Q: 3.3%; 2Q: 2.9%; 1Q: 5.6%). Factors supporting this growth include continued household spending, improvement in labour market conditions, further recovery in tourism activities and sustained investment activity. However, exports remained subdued due to prolonged weakness in external demand. Further expansion in domestic expenditure and improvement in external demand are expected to be the key growth drivers for 2024. (Source: Bank Negara Malaysia's Quarterly Bulletin 4Q 2023).

Given the ongoing challenging external operating environment, the Group remains committed to enhancing operational efficiencies and improving sales performance to ensure the profitability of its operations. Concurrently, the Group hopes to leverage on emerging opportunities in the southern region, where its business mainly operates, leveraging the promising economic prospects driven by the development of major projects and infrastructure in the local scene.

The Group acknowledges that its operations in the East Coast region have not met the anticipated rebound. However, the Group remains optimistic about an improved performance and positive contributions from its associate company in the coming quarters.

On the other hand, EV Connection Sdn Bhd ("EVC"), a company in which the Group has acquired a stake, continues to spearhead collaborations and drive initiatives aimed at accelerating the adoption of EVs in Malaysia. This is evident from the expansion of the EV charging station network across the country. As a pioneer in EV charging solutions in the country, EVC is poised to leverage on the government's various strategies to meet its Environmental, Social, and Governance (ESG) commitments.

The Board acknowledges the upcoming challenges and maintains a prudent outlook regarding the Group's prospects. Barring any unforeseen circumstances, the Board opines that the financial performance of the Group will be satisfactory for the forthcoming quarter.

### **B4 Profit forecast**

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

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

### B5 Income tax expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 29.02.2024 Unaudited RM'000	PRECEDING CORRESPON- DING QUARTER 28.02.2023 Unaudited RM'000	CURRENT YEAR- TO-DATE 29.02.2024 Unaudited RM'000	PRECEDING YEAR- TO-DATE 28.02.2023 Audited RM'000
In respect of the current period:				
Income tax expense	500	116	1,833	1,546
Deferred tax expense	4	228	4	228
<b>Total</b>	<b>504</b>	<b>344</b>	<b>1,837</b>	<b>1,774</b>
<b>Effective tax rate (%)</b>	<b>50%</b>	<b>62%</b>	<b>38%</b>	<b>24%</b>

The effective tax rate for the current financial quarter was significantly higher than the statutory rate of 24% due to increased provisions and non-deductible expenses. In comparison, the preceding corresponding quarter's effective tax rate of 62% was due to the recognition of deferred tax expenses, notwithstanding the reversal of provisions made in prior quarters.

As for the current YTD, the effective tax rate of 38% is mainly due to non-deductible expenses, whereas the effective tax rate of 24% in the preceding YTD was due to the non-taxable effects of the share of results of an associate.

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

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

### **B6 Status of corporate proposals**

There are no other corporate proposals announced but not yet completed as at the date of this interim financial report.

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# ACO GROUP BERHAD

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

### B7 Utilisation of proceeds raised from the Private Placement

On 31 December 2021, the Company completed a private placement exercise involving the issuance of 43.871 million new ordinary shares ("Private Placement"). The total fund raised from the Private Placement is approximately RM14.604 million.

The status of utilisation of proceeds based on funds raised from the Private Placement as at 29 February 2024 is as follows:-

	PROPOSED UTILISATION (BASED ON ANNOUNCEMENT MADE ON 17 SEPTEMBER 2020)	REVISED UTILISATION (PURSUANT TO THE COMPLETION OF THE PRIVATE PLACEMENT)	ACTUAL UTILISATION	BALANCE UNUTILISED	ESTIMATED TIME FRAME FOR UTILISATION (FROM THE DATE OF LISTING OF THE PLACEMENTS SHARES)
PURPOSES	RM'000	RM'000	RM'000	RM'000	
Acquisition of Focus Electrical	5,145	5,145	3,030	2,115	Within 36 months
Capital injection in Focus Electrical	6,370	6,370	6,370	-	Within 12 months
Repayment of bank borrowings	2,435	-	-	-	Not applicable
Investment in new business	5,000	-	-	-	Not applicable
Working capital	3,000	2,439	2,439	-	Within 12 months
Estimated expenses in relation to the Proposals	650	650	650	-	Upon completion of the Proposal
	<u>22,600</u>	<u>14,604</u>	<u>12,489</u>	<u>2,115</u>	

Based on the Company's announcement dated 29 December 2023, the retained purchase consideration of RM3.115 million will be used to settle the shortfall in relation to the acquisition of Focus Electrical ("Acquisition"). The utilisation of proceeds for the purpose of the Acquisition should be read together with the Company's announcements dated 17 September 2020, 25 September 2020, 16 October 2020, 23 October 2020, 17 November 2020, 27 November 2020 and 30 November 2020.

# ACO GROUP BERHAD

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

### B7 Utilisation of proceeds raised from the Private Placement (Cont'd)

The utilisation of the proceeds as disclosed above should be read together with the announcement made by the Company dated 17 September 2020 in relation to the Private Placement, as well as Company's announcement dated 31 December 2021 pertaining to the completion of the Private Placement.

### 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	8,472	-	8,472
Trust receipts	2,563	-	2,563
Hire purchases	44	-	44
Term loans	652	9,880	10,532
	<u>11,731</u>	<u>9,880</u>	<u>21,611</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 leasehold land and buildings of subsidiaries;
- (c) Legal charges over fixed deposits of a subsidiary;
- (d) Legal charges over an investment property; and
- (e) Corporate Guarantee by the Company.

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

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

### 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 quarter and financial year under review.

### B11 Basic and diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 29.02.2024	PRECEDING CORRESPON -DING QUARTER 28.02.2023	CURRENT YEAR TO-DATE 29.02.2024	PRECEDING YEAR-TO-DATE 28.02.2023
Profit for the period attributable to ordinary equity holders of the company (RM'000)	<u>505</u>	<u>213</u>	<u>3,024</u>	<u>5,741</u>
Weighted average number of shares in issue ('000)	<u>347,371</u>	<u>347,371</u>	<u>347,371</u>	<u>347,371</u>
Basic and diluted earnings per share (sen) <sup>(1) (2)</sup>	<u>0.14</u>	<u>0.06</u>	<u>0.86</u>	<u>1.65</u>

Notes:-

- (1) The basic earnings per share is computed based on profit 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 earnings per share of the Group is equivalent to the basic earnings per share as the Group does not have any convertible options as at the end of the reporting period.

# ACO GROUP BERHAD

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

### B12 Notes to the statement of comprehensive income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 29.02.2024 Unaudited RM'000	PRECEDING CORRESPON- DING QUARTER 28.02.2023 Unaudited RM'000	CURRENT YEAR-TO-DATE 29.02.2024 Unaudited RM'000	PRECEDING YEAR-TO-DATE 28.02.2023 Audited RM'000
The following amounts have been included in arriving at profit before tax:-				
Finance costs	150	182	667	734
Depreciation on property, plant and equipment	418	376	1,512	1,416
Depreciation on right-of-use assets	179	198	759	816
Impairment losses on trade receivables	25	23	101	52
Equipment rental expenses	21	14	68	62
and after crediting:				
Interest income	82	60	251	231
Rental income	91	52	323	209
Bad debts recoverable	1	3	11	7
Reversal of impairment losses on trade receivables	29	6	51	234

By Order of the Board

Date: 24 April 2024