

Date: 22 January 2021

The Board of Directors
Ecomate Holdings Bhd.
Lot PTD 7274
Kawasan Perindustrian Bakri Batu 7 ½
Jalan Bakri
84200 Muar
Johor Darul Takzim

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
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Dear Sirs

**ECOMATE HOLDINGS BHD. (“ECOMATE HOLDINGS” OR “THE COMPANY”)
REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF
FINANCIAL POSITION AS AT 31 AUGUST 2020**

We have completed our assurance engagement to report on the compilation of pro forma combined statements of financial position of Ecomate Holdings and its wholly owned subsidiary, namely Ecomate Sdn. Bhd. (collectively known as “Ecomate Group” or “the Group”) as at 31 August 2020 and related notes as set out in Appendix A, for which we have stamped for the purpose of identification. The pro forma combined statements of financial position and related notes have been compiled by the Board of Directors of the Company (“Board of Directors”) for inclusion in the Prospectus of Ecomate Holdings in connection with its listing of and quotation for the entire enlarged issued share capital on the ACE Market of Bursa Malaysia Securities Berhad. (“Proposed Listing”).

The applicable criteria on the basis of which the Board of Directors have compiled the pro forma combined statements of financial position are set out in Note 2 of Appendix A, and in accordance with the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia (“Prospectus Guidelines”) (“Applicable Criteria”).

The pro forma combined statements of financial position have been compiled by the Board of Directors for illustrative purpose only, to illustrate the impact of the events or transactions as set out in Note 2 of Appendix A of this letter on the Group’s financial position as at 31 August 2020 as if the Group has been in existence throughout the financial period.

As part of this process, information about the Group’s financial position have been extracted from the financial statements of the Ecomate Sdn. Bhd. for the financial period ended 31 August 2020, on which an audit report has been issued.

THE BOARD OF DIRECTORS’ RESPONSIBILITIES

The Board of Directors is responsible for compiling the pro forma combined statements of financial position based on the Applicable Criteria.



REPORTING ACCOUNTANTS' INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and other ethical requirement of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 (ISQC 1), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* issued by The International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal regulatory requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the pro forma combined statements of financial position has been compiled, in all material respects, by the Board of Directors on the basis of the Applicable Criteria.

We conducted our engagement in accordance with the International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagement to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma combined statements of financial position on the basis of the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma combined statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma combined statements of financial position.

The purpose of pro forma combined statements of financial position included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma combined statements of financial position has been compiled, in all material respects, on the basis as set out in Note 2 of Appendix A and in accordance with the requirements of the Prospectus Guidelines involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma combined statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma combined statements of financial position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma combined statements of financial position have been compiled, and other relevant engagement circumstances.



REPORTING ACCOUNTANTS' RESPONSIBILITIES (CONT'D)

The engagement also involves evaluating the overall presentation of the pro forma combined statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, pro forma combined statements of financial position of the Group have been compiled, in all material respects, on the basis of the Applicable Criteria.

OTHER MATTER

We understand that this letter will be used solely for the purpose of inclusion in the Prospectus in connection with the Proposed Listing. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

A handwritten signature in black ink that reads "Crowe Malaysia M".

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

A handwritten signature in black ink that reads "Ng Kim Hian".

Ng Kim Hian
02506/04/2021 J
Chartered Accountant

Muar, Johor Darul Takzim

ECOMATE HOLDINGS BERHAD AND ITS SUBSIDIARY

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2020

1. ABBREVIATION

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report:

Acquisition	:	Acquisition by Ecomate Holdings of the entire equity interest in Ecomate Sdn. Bhd. comprising 2,000,000 ordinary shares for a purchase consideration of RM7,374,499.95 which was fully satisfied by the issuance of 300,999,998 new Shares at an issue price of approximately RM0.0245 per Share
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Ecomate Holdings or The Company	:	Ecomate Holdings Berhad (Registration No. 202001036445 (1392766-X))
Ecomate	:	Ecomate Sdn. Bhd. (Registration No. 201601006039 (1176965-X))
Ecomate Group or Group	:	Collectively, the Company and its subsidiary
Ecomate Share(s) or Share(s)	:	Ordinary share(s) in the Company
IPO	:	Initial public offering comprising the Public Issue and the Offer for Sale, collectively
IPO Price	:	Issue price/offer price of RM[●] per Issue Share/Offer Share
Issue Share(s)	:	49,000,000 new Ecomate Share(s) to be issued at the IPO Price pursuant to the Public Issue
MITI	:	Ministry of International Trade and Industry
NA	:	Net assets
Offer Share(s)	:	38,500,000 existing Ecomate Share(s) to be offered at the IPO Price by the Selling Shareholders pursuant to the Offer for Sale
Proposed listing	:	Listing of and quotation for the entire enlarged issued share capital of Ecomate on the ACE Market of Bursa Malaysia Securities Berhad
Prospectus	:	The Prospectus dated [●] to be issued by the Company in respect of the IPO

ECOMATE HOLDINGS BERHAD AND ITS SUBSIDIARY

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2020

1. ABBREVIATION (CONT'D)

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report (cont'd):

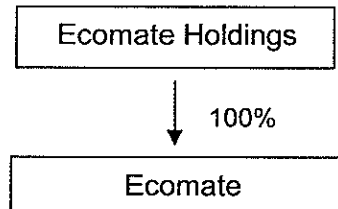
- Public Issue : Public Issue of 49,000,000 Issue Shares at the IPO Price comprising the following:
- (a) 17,500,000 Issue Shares, representing 5.00% of the enlarged total number of Shares, are made available for application by the Malaysian public;
 - (b) 8,750,000 Issue Shares, representing 2.50% of the enlarged total number of Shares, are made available for application by the eligible Directors, employees and persons who have contributed to the success of the Group;
 - (c) 22,750,000 Issue Shares, representing 6.50% of the enlarged total number of Shares, are made available for application by way of private placement to selected investors.
- RM and sen : Ringgit Malaysia and sen
- Selling Shareholder(s) : Collectively, Koh Cheng Huat, Jason Koh Jian Hui, Mamba Capital Sdn Bhd, Koda Capital Sdn Bhd and BYD Capital Sdn Bhd undertaking the Offer for Sale

ECOMATE HOLDINGS BERHAD AND ITS SUBSIDIARY

2. PRO FORMA GROUP AND BASIS OF PREPARATION

2.1 Pro forma Group

The pro forma corporate structure of Ecomate Group is as follow:



2.2 Basis of Preparation

The pro forma combined statements of financial position of Ecomate Holdings have been prepared for illustration purposes using the audited financial statements of the Ecomate as at 31 August 2020 which was prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and are not subject to any qualification, modification or disclaimer.

The pro forma combined statements of financial position have also been compiled in a manner consistent with both the format of the audited financial statements and accounting policies of Ecomate for the financial period ended 31 August 2020.

The financial position of Ecomate Holdings and Ecomate are combined using the merger method as these companies are under common control by the same parties, both before and after the Acquisition of Ecomate, and control is not transitory. When the merger method is used, the difference between the cost of investment recorded by Ecomate Holdings and the share capital of Ecomate is accounted for as merger reserve in the pro forma combined statements of financial position, as follow:

	RM'000
New share issued by the Company as consideration for the acquisition of Ecomate	7,375
Less : Reversal of issued and paid up share capital of Ecomate as at 31 August 2020	<u>(3,926)</u>
Business combination reserve	<u>3,449</u>

ECOMATE HOLDINGS BERHAD AND ITS SUBSIDIARY

2. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)

2.3 Significant Subsequent Transactions

(i) Distribution of interim dividend

On 12 October 2020, Ecomate declared and paid interim dividend of RM2,000,000 in respect of financial year ending 28 February 2021 to its existing shareholders then. This payment of interim dividend is illustrated in the Pro Forma Combined statement of financial position to show the effect of this transaction had this transaction been effected on 31 August 2020.

(ii) Repayment of directors' advances

On 1 January 2021, Ecomate made repayment of RM2,004,587 in respect of the outstanding amount owing to directors after having obtained the consent from relevant banks to remove the loan covenants of subordination of directors' advances. This repayment is illustrated in the Pro Forma Combined statement of financial position to show the effect of this transaction had this transaction been effected on 31 August 2020.

2.4 Listing Scheme

As part of the Proposed Listing, Ecomate Holdings undertook the followings:

(i) Acquisition

On 9 December 2020, Ecomate Holdings entered into a conditional Share Sale Agreement to acquire the entire equity interests in Ecomate comprising 2,000,000 ordinary shares for a purchase consideration of RM7,374,499.95 which was fully satisfied by the issuance of 300,999,998 new Shares at an issue price of approximately RM0.0245 per Share.

The purchase consideration of Ecomate of RM7,374,499.95 was arrived at on a willing-buyer-willing-seller basis, after taking into consideration the audited NA position of Ecomate as at 31 August 2020 of RM9,321,019 and interim dividend of RM2,000,000 in respect of financial year ending 28 February 2021 paid on 12 October 2020.

(ii) Public Issue

Public issue of 49,000,000 Issue Shares, representing 14.00% of the total enlarged number of Shares, at the IPO Price, to be allocated in the following manner:

- (a) 17,500,000 Issue Shares, representing 5.00% of the enlarged total number of Shares, are made available for application by the Malaysian public;
- (b) 8,750,000 Issue Shares, representing 2.50% of the enlarged total number of Shares, are made available for application by the eligible Directors, employees and persons who have contributed to the success of the Group; and
- (c) 22,750,000 Issue Shares, representing 6.50% of the enlarged total number of Shares, are made available for application by way of private placement to selected investors.

ECOMATE HOLDINGS BERHAD AND ITS SUBSIDIARY

2. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)

2.4 Listing Scheme (Cont'd)

As part of the Proposed Listing, Ecomate Holdings undertook the followings (Cont'd):

(ii) Public Issue (Cont'd)

Upon completion of the Public Issue, the share capital will increase from approximately RM7,374,502 comprising 301,000,000 Shares to approximately RM[●] comprising 350,000,000 Shares.

(iii) Offer for Sale

The Selling Shareholders are offering an aggregate of 38,500,000 Offer Shares at the IPO Price, representing 11.00% of the total enlarged number of Shares, by way of private placement to selected investors.

(iv) Listing

Upon completion of the Public Issue and Offer for Sale, the Company shall be admitted to the official list and the entire enlarged share capital of approximately RM[●] comprising 350,000,000 Shares shall be listed and quoted on the ACE Market of Bursa Securities.

ECOMATE HOLDINGS BERHAD AND ITS SUBSIDIARY
APPENDIX A
3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF ECOMATE AS AT 31 AUGUST 2020

	Note	Audited as at 31 August 2020*	Significant Subsequent Transactions		Acquisition of Ecomate	Pro Forma I		Public Issue	Pro Forma II		Pro Forma III	
			Distribution of interim dividend	Repayment of directors' advances		RM'000	RM'000		After Acquisition of Ecomate	Public Issue	After Pro Forma I and Public Issue	Utilisation of Proceeds
ASSETS												
NON-CURRENT ASSETS												
Property, plant and equipment	4.1	4,959			4,959				4,959			[•]
Prepaid lease payment		6,037			6,037				6,037			6,037
Right-of use assets		4,574			4,574				4,574			4,574
TOTAL NON-CURRENT ASSETS		15,570			15,570				15,570			[•]
CURRENT ASSETS												
Inventories		5,800			5,800				5,800			5,800
Trade receivables		2,225			2,225				2,225			2,225
Other receivables, deposits and prepayments		773			773				773			773
Current tax assets		56			56				56			56
Fixed deposits with a licensed bank		1,341			1,341				1,341			1,341
Cash and bank balances	4.2	7,534	(2,000)	(2,004)	3,530		[•]		[•]			[•]
TOTAL CURRENT ASSETS		17,729			13,725				10,195			10,195
TOTAL ASSETS		33,299			29,295				25,765			[•]
EQUITY AND LIABILITIES												
Equity attributable to owners of the Company	4.3	3,926			7,375		[•]		[•]			[•]
Share capital	4.4	-			(3,449)				(3,449)			(3,449)
Merger reserve	4.5	5,396	(2,000)		3,396				3,396			[•]
Retained profits		9,322			7,322				[•]			[•]
TOTAL EQUITY		9,322			7,322				[•]			[•]

ECOMATE HOLDINGS BERHAD AND ITS SUBSIDIARY
APPENDIX A
3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF ECOMATE AS AT 31 AUGUST 2020 (CONT'D)

	Audited as at 31 August 2020* RM'000	Significant Subsequent Transactions		Acquisition of Ecomate	Pro Forma I		Pro Forma II		Pro Forma III	
		Distribution of interim dividend RM'000	Repayment of directors' advances RM'000		Acquisition Adjustments RM'000	After Acquisition of Ecomate RM'000	Public Issue RM'000	After Pro Forma I and Public Issue RM'000	Utilisation of Proceeds RM'000	After Pro Forma II and Utilisation of Proceeds RM'000
NON-CURRENT LIABILITIES										
Bank borrowings	5,269				5,269		5,269		5,269	
Lease liabilities	2,579				2,579		2,579		2,579	
Deferred tax liabilities	707				707		707		707	
TOTAL NON-CURRENT LIABILITIES	8,555				8,555		8,555		8,555	
CURRENT LIABILITIES										
Trade payables	5,793				5,793		5,793		5,793	
Other payables and accruals	4,441				4,441		4,441		4,441	
Amount owing to directors	2,004		(2,004)		-		-		-	
Bank borrowings	1,807				1,807		1,807		1,807	
Derivatives liabilities	88				88		88		88	
Lease liabilities	1,289				1,289		1,289		1,289	
TOTAL CURRENT LIABILITIES	15,422				13,418		13,418		13,418	
TOTAL LIABILITIES	23,977				21,973		21,973		21,973	
TOTAL EQUITY AND LIABILITIES	33,299				29,295		[•]		[•]	
No. of ordinary shares in issue ('000)	2,000				301,000		301,000		350,000	
NA (RM'000)	9,322				7,322		[•]		[•]	
NA per share (RM)	4.66				0.02		[•]		[•]	

Notes:

* Extracted from Ecomate Holdings Bhd.'s audited combined financial statements for the financial period ended 31 August 2020

ECOMATE HOLDINGS BERHAD AND ITS SUBSIDIARY
3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF ECOMATE GROUP AS AT 31 AUGUST 2020 (CONT'D)

The pro forma combined statements of financial position as at 31 August 2020 has been prepared solely for illustrative purposes only to show the effects of the following transactions based on the assumptions that they had been effected on 31 August 2020:

3.1 Pro Forma I

Pro Forma I incorporates the effects of the Acquisition as set out in Section 2.4(i) after taking into account of the significant subsequent transactions as set out in Section 2.3.

3.2 Pro Forma II

Pro Forma II incorporates the effects of the Pro Forma I and effect of the Public Issue as set out in Section 2.4(ii) above.

3.3 Pro Forma III

Pro Forma III incorporates the effects of Pro Forma I, II, the utilisation of the proceeds from the Public Issue.

The proceeds from the Public Issue will be utilised as follows:

Utilisation of proceeds	Amount of proceeds		Estimated timeframe for utilisation from the date of our Listing
	(RM'000)	%	
Machinery and equipment	[•]	[•]	Within 12 months
Factory and hostel construction	[•]	[•]	Within 24 months
General working capital requirement	[•]	[•]	Within 6 months
Estimated listing expenses*	[•]	[•]	Immediate
Total	[•]	[•]	

* The estimated listing expenses totaling RM[•] million to be borne by the Company comprise brokerage, underwriting and placement fees, professional fees and miscellaneous expenses. A total of RM[•] million is assumed to be directly attributable to the issuance of new shares and therefore will be set off against the share capital. The remaining expenses of RM[•] million are assumed to be attributable to the Proposed Listing and therefore will be charged to the statements of profit or loss and other comprehensive income.

ECOMATE HOLDINGS BERHAD AND ITS SUBSIDIARY
4. NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION
4.1 Property, Plant and Equipment

	RM'000
At 31 August 2020 / As per Pro Forma I to II	4,959
Pursuant to Utilisation of Proceeds from IPO	[•]
As per Pro Forma III	[•]

4.2 Cash and bank balances

	RM'000
At 31 August 2020	7,534
Distribution of interim dividend	(2,000)
Repayment of directors' advance	(2,004)
Adjusted amount as at 31 August 2020 / As per Pro Forma I	3,530
Pursuant to Proposed Public Issue	[•]
	[•]
Pursuant to Utilisation of Proceeds from IPO	[•]
As per Pro Forma III	[•]

4.3 Share Capital

	Number of Ordinary Shares ('000)	Amount of Share Capital RM'000
At 31 August 2020	2,000	3,926
Pursuant to Acquisition	299,000	3,449
As per Pro Forma I	301,000	7,375
Pursuant to Proposed Public Issue	49,000	[•]
As per Pro Forma II	350,000	[•]
Estimated listing expenses	-	[•]
As per Pro Forma III	350,000	[•]


ECOMATE HOLDINGS BERHAD AND ITS SUBSIDIARY
**4. NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION
(CONT'D)**
4.4 Merger reserve

	RM'000
At 31 August 2020	-
Pursuant to Acquisition	(3,449)
As per Pro Forma I to III	<u>(3,449)</u>

4.5 Retained Profit

	RM'000
At 31 August 2020	5,396
Distribution of interim dividend	(2,000)
Adjusted amount as at 31 August 2020/As per Pro Forma I to II	<u>3,396</u>
Estimated listing expenses	[•]
As per Pro Forma III	<u>[•]</u>

4.6 Amount owing to directors

	RM'000
At 31 August 2020	2,004
Repayment	(2,004)
As per Pro Forma I to III	<u>-</u>

ECOMATE HOLDINGS BERHAD AND ITS SUBSIDIARY

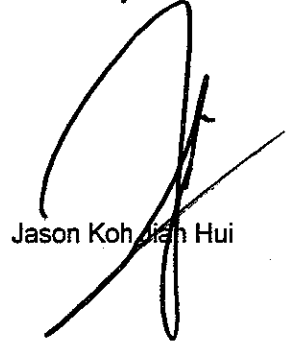
APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 22 January 2021

On behalf of the Board of Directors,



Koh Cheng Huat



Jason Koh Jiah Hui