



CPE TECHNOLOGY BERHAD
Registration No.: 202101015732 (1416032-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31
DECEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024 ⁽¹⁾

Items	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter	Current Period-to-date	Preceding Year Corresponding Period-to-date
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	33,198	21,780	62,491	44,477
Cost of sales	(22,474)	(15,630)	(43,333)	(32,210)
Gross Profit	10,724	6,150	19,158	12,267
Other income	685	171	695	408
Other gains/ (losses), net	3,485	(280)	(535)	(285)
Selling and marketing expenses	(467)	(586)	(1,076)	(1,215)
General and administrative expenses	(2,454)	(3,448)	(4,773)	(5,719)
Operating profit	11,973	2,007	13,469	5,456
Finance income	1,434	495	3,059	643
Finance costs	(99)	(338)	(232)	(735)
Finance income/(costs) , net	1,335	157	2,827	(92)
Profit Before Tax	13,308	2,164	16,296	5,364
Tax expense	(2,838)	(671)	(3,542)	(1,304)
Profit After Tax	10,470	1,493	12,754	4,060
Other comprehensive income for the financial period, net of tax:				
Currency translation differences	(397)	743	(2,418)	441
Total comprehensive income for the financial period	10,073	2,236	10,336	4,501
Basic earnings per share (sen) ⁽²⁾	1.56	0.27	1.90	0.77
Diluted earnings per share (sen) ⁽³⁾	1.56	0.27	1.90	0.77



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024 (CONT'D) ⁽¹⁾

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audit financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic EPS for preceding year corresponding quarter and preceding year corresponding period-to-date period ended 31 December 2024 are computed based on profit attributable to owners of CPE Technology Berhad divided by weighted average number of ordinary shares in issue.
- (3) The diluted EPS of the Group for preceding year corresponding quarter and preceding year corresponding period-to-date period ended 31 December 2024 is equivalent to the basic EPS as the Group does not have any convertible options at the end of the reporting period.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 ⁽¹⁾

	As at 31 December 2024 (Unaudited) RM'000	As at 30 June 2024 (Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	64,386	56,802
Right-of-use assets	2,178	2,375
Deferred tax assets	265	278
Deposits with licensed banks	903	893
	67,732	60,348
CURRENT ASSETS		
Inventories	49,430	45,176
Receivables, deposits and prepayments	26,218	20,989
Contract assets	125	118
Current tax receivable	4,146	2,997
Other investments	26,328	-
Deposits, cash and bank balances	167,603	213,948
	273,850	283,228
CURRENT LIABILITIES		
Payables and accrued liabilities	10,819	11,328
Current tax provision	5,642	2,753
Borrowings	2,457	4,635
Lease liabilities	805	805
	19,723	19,521
NET ASSETS	321,859	324,055
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	263,757	263,757
Capital reorganisation reserves	(86,215)	(86,215)
Currency translation reserves	3,313	5,731
Retained profits	136,686	130,646
Shareholders' equity	317,541	313,919
NON-CURRENT LIABILITIES		
Borrowings	260	5,881
Lease liabilities	1,333	1,528
Deferred tax liabilities	2,725	2,727
	4,318	10,136
	321,859	324,055
Net assets per share (sen) ⁽²⁾	0.48	0.48



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D) ⁽¹⁾

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) In the calculation of net assets per ordinary share is calculated based on the Company's enlarged number of ordinary shares as at 31 December 2024 of 671,314,791 ordinary shares (30 June 2024: 671,314,791 shares).

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024 ⁽¹⁾

<u>Audited</u>	Share capital	Capital reorgani- sation reserve	Currency translation reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 July 2023	91,397	(86,215)	5,233	127,273	137,688
<u>Total Comprehensive Income:</u>					
- Net profit for the financial period	-	-	-	11,093	11,093
- Other comprehensive income for the financial period, net of tax	-	-	498	-	498
	-	-	498	11,093	11,591
<u>Transaction with Owners of the Company</u>					
Issuance of shares pursuant to Initial Public Offerings	179,577	-	-	-	179,577
Share issuances expenses	(7,217)	-	-	-	(7,217)
Dividend paid	-	-	-	(7,720)	(7,720)
	172,360	-	-	(7,720)	164,640
As at 30 June 2024	263,757	(86,215)	5,731	130,646	313,919
<u>Unaudited</u>					
As at 1 July 2024	263,757	(86,215)	5,731	130,646	313,919
<u>Total Comprehensive Income:</u>					
- Net profit for the financial period	-	-	-	12,754	12,754
- Other comprehensive income for the financial period, net of tax	-	-	(2,418)	-	(2,418)
	-	-	(2,418)	12,754	10,336
<u>Transaction with Owners of the Company</u>					
Dividend paid	-	-	-	(6,714)	(6,714)
As at 31 December 2024	263,757	(86,215)	3,313	136,686	317,541



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024 ⁽¹⁾

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024 ⁽¹⁾

	CUMULATIVE QUARTER	
	Current Period-to-date	Preceding Year Corresponding Period-to-date
	31 December 2024	31 December 2023
	RM'000	RM'000
OPERATING CASH FLOWS		
Profit after taxation	16,296	2,988
Adjustments for:		
Property, plant and equipment:		
- depreciation	3,854	1,942
Amortisation of right-of-use assets	372	187
Finance income	(3,059)	(1,625)
Finance costs	232	133
Fair value gain on other investments	(302)	(90)
Unrealised foreign exchange loss	1,150	4,710
Provision for slow moving inventories	649	254
	19,192	8,499
Changes in working capital:		
Inventories	(4,904)	(2,976)
Receivables	(5,228)	(261)
Contract assets	(7)	19
Payables	(509)	859
Cash generated from operations	8,544	6,140
Tax paid	(1,802)	(884)
Net operating cash flow	6,742	5,256
INVESTING CASH FLOWS		
Property, plant and equipment		
- purchases	(11,438)	(835)
Interest received	3,032	1,611
Other investments	(26,000)	(20,000)
Additional fixed deposits pledged	-	(3,000)
Net investing cash flow	(34,406)	(22,224)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024 (CONT'D) ⁽¹⁾

	CUMULATIVE QUARTER	
	Current Period-to-date	Preceding Year Corresponding Period-to-date
	31 December 2024	31 December 2023
	RM'000	RM'000
FINANCING CASH FLOWS		
Dividend paid	(6,713)	-
Interest paid	(232)	(133)
Repayments of term loans	(5,270)	(146)
Repayment of trust receipts	-	-
Repayments of hire-purchase liabilities	(2,529)	(1,403)
Repayments of lease liabilities	(370)	(184)
Net financing cash flow	(15,114)	(1,866)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(42,778)	(18,834)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	213,948	213,948
EFFECT OF CHANGES IN EXCHANGE RATES OF CASH AND CASH EQUIVALENTS	(3,567)	(6,725)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	167,603	188,389

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached to this interim financial report.

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024

A1. BASIS OF PREPARATION

This condensed consolidated interim financial report has been prepared in accordance with MFRS 134 – *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes to the interim financial report.

A2. Significant Accounting Policies

The significant accounting policies and presentations adopted by our Group are consistent with those adopted in the financial statements for the year ended 30 June 2024, except for the adoption of the following standards which are effective for annual periods beginning on and after 1 July 2024.

- (i) Financial year beginning on or after 1 July 2024:

Amendments to MFRS 101 'Classification of Liabilities as Current or Non-current Liabilities and Deferral of Effective Date' (2021 Amendments) and 'Non-current Liabilities with Covenants' (2022 Amendments)	Effective 1 January 2024
Amendments to MFRS 16 "Leases" on 'Lease Liability in a Sale and Leaseback'	Effective 1 January 2024
Amendments to MFRS 107 and MFRS 7 on Supplier-Finance Arrangements	Effective 1 January 2024
Amendments to MFRS 121 on 'Lack of Exchangeability'	Effective 1 January 2025
Amendments to MFRS 9 and MFRS 7 on 'Amendments to the Classification and Measurement of Financial Instrumentation'	Effective 1 January 2026
MFRS 18 'Presentation and Disclosure in Financial Statements' replaces MFRS 101 'Presentation of Financial Statements'	Effective 1 January 2027
MFRS 19 'Subsidiaries without Public Accountability: Disclosure'	Effective 1 January 2027

The adoption of abovementioned new MFRS and amendments of MFRS do not have material impact on the interim financial statements of our Group

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024 (CONT'D)

A3. Audit Qualification

There was no audit qualification on the annual financial statements of the Company and our Group for the year ended 30 June 2024.

A4. Seasonality of Operations

Our Group's business operations are not affected by any seasonal trends.

A5. Unusual and Material Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

Save as disclosed in Note B1 and Note B2 below, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current period ended 31 December 2024.

A6. Material Changes in Estimates

There were no material changes in estimates that have a material affect in the current period ended 31 December 2024.

A7. Debt and Equity Securities

There were no issuance and repayment of debts and equity security, share buy-backs, share cancellation, share held as treasury shares by the Company during the current period ended 31 December 2024.

A8. Dividend Paid

On 25 November 2024, the Group declared a first interim single-tier dividend of 1 sen per ordinary share for the current period ended 31 December 2024 which was paid on 23 December 2024 to shareholders registered at the close of business on 10 December 2024.

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024 (CONT'D)

A9 Segmental Information

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter	Current Period-to-date	Preceding Year Corresponding Period-to-date
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
<u>Revenue from contracts with customers:</u>				
- Sales of goods	30,865	19,313	57,548	39,360
- Rendering of services	2,333	2,467	4,943	5,117
	33,198	21,780	62,491	44,477
<u>Revenue from contracts with customers by geographical locations:</u>				
- Singapore	14,311	7,666	27,853	12,075
- United States of America	13,792	10,384	24,384	23,643
- Malaysia	3,708	2,929	7,656	6,881
- Japan	435	30	1,110	402
- Italy	560	332	802	713
- Thailand	243	304	454	448
- Germany	96	19	137	141
- Switzerland	31	-	64	-
- China	20	2	28	2
- Romania	2	1	3	2
- Portugal	-	113	-	170
	33,198	21,780	62,491	44,477

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024 (CONT'D)
A9 Segmental Information (Cont'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter	Current Period-to-date	Preceding Year Corresponding Period-to-date
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
<u>Revenue from contracts with customers by industry segments:</u>				
- Semiconductor	23,146	10,481	41,382	24,029
- Life science and medical devices	4,328	5,488	8,681	7,820
- Sport equipment	3,510	2,760	7,106	6,502
- Aerospace	718	724	2,351	1,412
- Sensor equipment	465	479	1,198	888
- Automotive	601	411	886	943
- Instrumentation	218	737	415	1,037
- Opto-mechanical	182	108	361	284
- Security	15	592	92	1,556
- General engineering industry	15	-	19	6
	33,198	21,780	62,491	44,477

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024 (CONT'D)
A9 Segmental Information (Cont'D)

The Group's property, plant and equipment and right-of-use assets by geographical location, which is determined by the country in which the asset is located, is as follows:

	Unaudited	Audited
	31 December	30 June
	2024	2024
	RM'000	RM'000
Property, plant and equipment:		
Malaysia	64,305	56,709
Singapore	81	93
	<u>64,386</u>	<u>56,802</u>
Right-of-use assets:		
Malaysia	937	1,073
Singapore	1,241	1,302
	<u>2,178</u>	<u>2,375</u>
	<u>66,564</u>	<u>59,177</u>

A10. Material Events Subsequent to the Statement of Financial Position Date

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

A11. Changes in Composition of our Group

There were no changes in composition of our Group for the current period ended 31 December 2024.

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024 (CONT'D)

A12. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets of a material nature as current period as at 31 December 2024.

A13. Capital Commitments

	Unaudited	Audited
	31 December 2024	30 June 2024
	RM'000	RM'000
Description :		
Approved and contracted for	5,605	-
Approved but not contracted for	-	-
Total	5,605	-

As of 31 December 2024, the Group has a capital commitment of RM5.61 million, primarily related to the purchase of 16 units of Computer Numerical Control (CNC) machines. This investment is part of the Group's ongoing efforts to enhance production capacity and improve operational efficiency to meet the increasing demand, particularly from the semiconductor industry. The acquisition of these CNC machines is expected to strengthen the Group's manufacturing capabilities and support future business growth.

A14. Significant Related Party Transactions

There were no related party transactions for the current period ended 31 December 2024.

A15. Derivatives

There were no derivatives used in the current period ended 31 December 2024.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
B1. Review of Performance
Current and Cumulative Quarter ended 31 December 2024 ("Q2 FY2025")

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Period Quarter	Preceding Year Corresponding Quarter		Current Period-to-date	Preceding Year Corresponding Period-to-date	
	31 December 2024	31 December 2023		31 December 2024	31 December 2023	
	Unaudited RM'000	Unaudited RM'000	Changes %	Unaudited RM'000	Unaudited RM'000	Changes %
Revenue	33,198	21,780	52%	62,491	44,477	41%
Gross Profit	10,724	6,150	74%	19,158	12,267	56%
Profit before tax ("PBT")	13,308	2,164	515%	16,296	5,364	204%

The Group recorded a total revenue of RM33.20 million in Q2 FY2025, primarily derived from the semiconductor industry, which contributed RM23.15 million or 66.22% of the total revenue. This was followed by the life sciences and medical devices industry at RM4.33 million or 13.89%, the sports equipment industry at RM3.51 million or 11.37%, the aerospace industry at RM0.72 million or 3.76%, the sensor equipment industry at RM0.46 million or 1.92%, and other industries at RM1.03 million or 2.84%.

In Q2 FY2025, the Group's revenue and gross profit have increased compared to the Q2 FY2024, primarily driven by higher demand from the semiconductor industry. This surge in demand has led to greater production volumes and improved capacity utilization, contributing to the overall growth in revenue and profitability. Meanwhile, the increase in PBT is attributed to a one-off unrealized gain on foreign exchange amounting to RM3.56 million, which has positively impacted the company's financial performance for the period.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'D)
B1. Review of Performance (Cont'D)
Current Quarter compared with Immediate Preceding Quarter

	INDIVIDUAL QUARTER		
	Current Period	Immediate	Changes
	Quarter	Preceding Quarter	
	31 December 2024	Ended 30 September 2024	
	Unaudited	Unaudited	
	RM'000	RM'000	%
Revenue	33,198	29,293	13%
Gross Profit	10,724	8,434	27%
Profit before tax ("PBT")	13,308	2,988	345%

The Group registered a revenue of RM33.20 million and a gross profit of RM10.72 million in the current quarter, compared to a revenue of RM29.29 million and a gross profit of RM8.43 million in the immediate preceding quarter. This represents an increase of RM3.91 million or 13% in revenue and an increase of RM2.29 million or 27% in gross profit. Both revenue and gross profit increased, mainly driven by higher demand from the semiconductor industry. This growth reflects stronger order volumes and improved capacity utilization.

The Group recorded a PBT of RM13.31 million in the current quarter, compared to RM2.99 million in the immediate preceding quarter, representing an increase of RM10.32 million or 345%. The significant rise in PBT is also attributed to a one-off unrealized foreign exchange gain of RM3.56 million, compared to a one-off unrealized foreign exchange loss of RM4.71 million recorded in the immediate preceding quarter. This foreign exchange impact has notably contributed to the improvement in overall profitability.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B2. Commentary on Prospects

Market Overview

Generally the market research reports shows that the global semiconductor market is expected to experience a strong recovery in 2025. This growth is primarily driven by the increasing demand for AI, high-performance computing (HPC), and the widespread adoption of smart technologies across the automotive and industrial sectors. In particular, memory segments such as AI accelerators and high-bandwidth memory (HBM) are projected to see robust growth.

A key factor supporting this recovery is the ongoing expansion of semiconductor manufacturing capacity. According to the 4Q 2024 SEMI World Fab Forecast, 18 fabs scheduled for construction in 2025. This expansion, with an annual growth rate of 6.6%, will help stabilize supply chains, reduce the risk of shortages, and enhance production efficiency across the industry.

Despite the optimistic overall market outlook, customer behaviour remains cautious, particularly in the IGS (Integrated Gas System) sector where we operate. Customers continue to favour short-term visibility and are hesitant to commit to long-term orders due to ongoing inventory adjustments, geopolitical risks, and selective capital expenditures.

Company's Market Position

Our company's business is split between the semiconductor sector, which accounts for two-thirds (66%) of our revenue, while the life science and medical devices sector, sport equipment sector and other sectors, making up one-third (34%) of our revenue.

- **Semiconductor Sector:** The semiconductor segment is showing signs of recovery, with Q3 and Q4 2024 results demonstrating improvements, likely driven by customers replenishing low inventories. While we expect further improvement in Quarter 1, 2025, visibility for Quarter 2, 2025 remains uncertain, with customer purchasing behaviour continuing to be conservative.
- **Life Science and Medical Devices Sector, Sport Equipment Sector and Other Sectors:** These sectors remain stable with flat demand, and we do not anticipate significant changes in these sectors in the near term. However, this provides stability, balancing the potential volatility in the semiconductor market.

Customer Sentiment and Segment-Specific Demand

Our customers in the semiconductor sector remain cautious, with a preference for shorter-term orders and reduced visibility. This aligns with broader industry trends where the market is still adjusting to post-pandemic supply chain disruptions. However, there is optimism for further improvement in the coming quarters as demand for AI and HPC technologies continues to rise.

- **IGS Segment Demand:** While the overall semiconductor market is recovering, demand for IGS components remains conservative. Our strong positioning in this high-barrier segment, where we are a qualified supplier, ensures customer loyalty and positions us to benefit as the market rebounds.

Operational Strategy and Capacity

We continue to manage our production capacity with flexibility, ensuring we can meet both short-term and long-term demand. Our ability to scale operations based on customer needs allows us to effectively navigate the current market uncertainties.

Conclusion

While the semiconductor market remains conservative in its recovery, there are positive signs of growth, particularly in AI and HPC segments. Our company, with its strategic positioning in high-barrier markets and strong customer relationships, is well-positioned to capitalize on the anticipated rebound in the semiconductor sector. We remain optimistic about achieving further growth in 2025, particularly as inventory levels normalize and demand accelerates.

B3. Profit Forecast

Not applicable as no profit forecast was published.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)
B4. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter	Current Period-to-date	Preceding Year Corresponding Period-to-date
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Deferred tax	-	-	-	-
Current tax expenses				
- Current year	2,838	671	3,542	1,302
- Prior year	-	-	-	2
	<u>2,838</u>	<u>671</u>	<u>3,542</u>	<u>1,304</u>
Effective tax rate (%)	21%	31%	22%	24%
Statutory tax rate (%)				
- Malaysia	24.00	24.00	24.00	24.00
- Singapore	17.00	17.00	17.00	17.00

The group's effective tax rate is lower than Malaysia's statutory rate of 24% mainly due to tax diversity resulting from our business presence in difference countries.

B5. Status of Corporate Proposal

Save as disclosed B6, there were no corporate proposals announced by the Company but not completed as at the date of this condensed consolidated interim financial report.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)
B6. Utilisation of Proceeds from the Public Issue

The gross proceeds from the Public Issue of RM 179.58 million are expected to be used in the following manner:

N	P u r p o s e	Proposed Utilisation	Actual Utilisation	Balance	Intended Timeframe for Utilisation ⁽¹⁾	Deviation	Explanations
		RM'000	RM'000	RM'000			
1.	Acquisition of other manufacturing facilities within the vicinity or in nearby existing industrial areas including its related expenses, renovation costs, installation costs, fixture and fittings costs, furniture and equipment.	54,497	-	54,497	Within 48 months	-	-
2.	Proposed Acquisition and related expenses of Plant 6. ⁽²⁾	15,098	10,494	4,604	Within 21 months	-	-
3.	Purchase of new machinery and equipment and relocation of existing machinery and equipment	32,882	740	32,142	Within 48 months	-	-
4.	Repayment of bank borrowings	17,454	17,454	-	Within 36 months	-	-
5.	Part-financing working capital expenditure requirements	46,909	5,000	41,909	Within 24 months	-	-
6.	Part financing other capital expenditure requirements	1,422	1,422	-	Within 12 months	-	-
7.	Estimated listing expenses	11,315	11,315	-	Within 3 months	-	-
Total		179,577	46,425	133,152	N/A	-	-

* The presentation has been revised based on the proposed variation and extension of timeframe approved at the Extraordinary General Meeting held on 2 October 2024.

Note:-

(1) From the date of Listing of the Company.

(2) Plant 6 refers to the Property A as approved at the Extraordinary General Meeting held on 2 October 2024.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)
B7. Interest bearing bank borrowings and lease liabilities

	Unaudited 31 December 2024 RM'000	Audited 30 June 2024 RM'000
<u>Interest-bearing bank borrowings</u>		
<u>Non - current</u>		
Term loans	-	4,876
Hire Purchase Creditors	260	1,005
	260	5,881
<u>Current</u>		
Term loans	100	494
Hire Purchase Creditors	2,357	4,141
	2,457	4,635
<u>Currency Denominated In</u>		
Ringgit Malaysia ("MYR")	2,717	10,516
Singapore Dollars ("SGD")	-	-
	2,717	10,516
<u>Lease Liabilities</u>		
Non - current	1,333	1,528
Current	805	805
	2,138	2,333

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B8. Operating Profit/(Loss)

	INDIVIDUAL QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter
	31 December 2024	31 December 2023
	RM'000	RM'000
Operating profit is arrived at after charging/(crediting):		
Interest Income	(1,434)	(148)
Interest expense	99	397
Depreciation of property, plant and equipment	1,912	1,958
Amortisation of right-of-use assets	185	198
Fair value gain on other investments	(212)	-
(Gain) / Loss on foreign exchange :		
- Realised	(15)	(646)
- Unrealised	(3,560)	651
Additional allowance for slow moving and obsolete inventories	395	158
Upkeep, repair and maintenance	628	676

B9. Material Litigation

Our Group is not engaged in any material litigation for the current period ended 31 December 2024.

B10. Dividend

On 25 November 2024, the Group declared a first interim single-tier dividend of 1 sen per ordinary share for the current period ended 31 December 2024 which was paid on 23 December 2024 to shareholders registered at the close of business on 10 December 2024.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)
B11. Earnings per Share

The basic and diluted EPS for the current quarter and financial year under review is computed as follows:

	Individual Quarter		Cumulative Period	
	Current Period Quarter	Preceding Year Corresponding Quarter	Current Period-to-date	Preceding Year Corresponding Period-to-date
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Profit attributable to the owners of the Company	10,470	1,493	12,754	4,060
Weighted average number of ordinary shares in issue (basic) (unit)	671,315	547,267	671,315	525,377
Basic EPS (sen) ⁽¹⁾	1.56	0.27	1.90	0.77
Diluted EPS (sen) ⁽²⁾	1.56	0.27	1.90	0.77

Notes:

- (1) Computed based on profit attributable to owners of CPE Technology Berhad divided by weighted average number of ordinary shares in issue.
- (2) Diluted EPS of CPE Technology Berhad is equivalent to the basic EPS as the Group does not have convertible securities at the end of the current quarter.

B12. APPROVAL OF INTERIM FINANCIAL REPORT

The interim financial report as set out above was approved by the Board of Directors of CPE Technology Berhad in accordance with a resolution dated 14 February 2025.

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