



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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30
SEPTEMBER 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2025 ⁽¹⁾

Items	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter	Current Period-to-date	Preceding Year Corresponding Period-to-date
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	25,434	29,293	25,434	29,293
Cost of sales	(21,111)	(20,859)	(21,111)	(20,859)
Gross Profit	4,323	8,434	4,323	8,434
Other income	965	10	965	10
Other gains/ (losses), net	342	(4,020)	342	(4,020)
Selling and marketing expenses	(614)	(609)	(614)	(609)
General and administrative expenses	(2,401)	(2,319)	(2,401)	(2,319)
Operating profit	2,615	1,496	2,615	1,496
Finance income	1,320	1,625	1,320	1,625
Finance costs	(18)	(133)	(18)	(133)
Finance income/(costs) , net	1,302	1,492	1,302	1,492
Profit Before Tax	3,917	2,988	3,917	2,988
Tax expense	(567)	(704)	(567)	(704)
Profit After Tax	3,350	2,284	3,350	2,284
Other comprehensive income for the financial period, net of tax:				
Currency translation differences	(384)	(2,021)	(384)	(2,021)
Total comprehensive income for the financial period	2,966	263	2,966	263
Basic earnings per share (sen) ⁽²⁾	0.50	0.34	0.50	0.34
Diluted earnings per share (sen) ⁽³⁾	0.50	0.34	0.50	0.34



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2025 (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 2025 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 30 September 2025 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 30 September 2025 is equivalent to the basic EPS as the Group does not have any convertible options at the end of the reporting period.

The rest of this page has been intentionally left blank

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025 ⁽¹⁾

	As at 30 September 2025 (Unaudited) RM'000	As at 30 June 2025 (Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	75,456	68,367
Right-of-use assets	1,668	1,863
Deferred tax assets	439	417
Deposits with licensed banks	917	913
	78,480	71,560
CURRENT ASSETS		
Inventories	50,167	47,295
Receivables, deposits and prepayments	19,340	23,905
Contract assets	250	79
Current tax receivable	1,606	367
Other investments	40,277	50,610
Deposits, cash and bank balances	164,456	157,556
	276,096	279,812
CURRENT LIABILITIES		
Payables and accrued liabilities	15,933	15,367
Current tax provision	2,462	2,528
Borrowings	395	389
Lease liabilities	645	1,095
	19,435	19,379
	256,661	260,433
NET ASSETS	335,141	331,993
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	263,757	263,757
Capital reorganisation reserves	(86,215)	(86,215)
Currency translation reserves	2,826	3,210
Retained profits	150,873	147,523
Shareholders' equity	331,241	328,275
NON-CURRENT LIABILITIES		
Borrowings	199	301
Lease liabilities	1,022	764
Deferred tax liabilities	2,679	2,653
	3,900	3,718
	335,141	331,993
Net assets per share (sen) ⁽²⁾	0.50	0.49



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025 (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 2025 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 30 September 2025 of 671,314,791 ordinary shares (30 June 2025: 671,314,791 shares).

The rest of this page has been intentionally left blank

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2025 ⁽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 2024	263,757	(86,215)	5,731	130,646	313,919
<u>Total Comprehensive Income:</u>					
- Net profit for the financial period	-	-	-	23,590	23,590
- Other comprehensive income for the financial period, net of tax	-	-	(2,521)	-	(2,521)
	-	-	(2,521)	23,590	21,069
<u>Transaction with Owners of the Company</u>					
Dividend paid	-	-	-	(6,713)	(6,713)
	-	-	-	(6,713)	(6,713)
As at 30 June 2025	263,757	(86,215)	3,210	147,523	328,275
<u>Unaudited</u>					
As at 1 July 2025	263,757	(86,215)	3,210	147,523	328,275
<u>Total Comprehensive Income:</u>					
- Net profit for the financial period	-	-	-	3,350	3,350
- Other comprehensive income for the financial period, net of tax	-	-	(384)	-	(384)
	-	-	(383)	3,350	2,966
As at 30 September 2025	263,757	(86,215)	2,827	150,873	331,241



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2025 ⁽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 2025 and the accompanying explanatory notes attached to this interim financial report.

The rest of this page has been intentionally left blank

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2025 ⁽¹⁾

	CUMULATIVE QUARTER	
	Current Period-to-date	Preceding Year Corresponding Period-to-date
	30 September 2025	30 September 2024
	RM'000	RM'000
OPERATING CASH FLOWS		
Profit before taxation	3,917	2,988
Adjustments for:		
Property, plant and equipment:		
- depreciation	2,342	1,942
- gain on disposal	(5)	-
- written off	63	-
Amortisation of right-of-use assets	189	187
Finance income	(1,321)	(1,625)
Finance costs	18	133
Fair value gain on other investments	(266)	(90)
Unrealised foreign exchange loss	(1,988)	4,710
Provision for slow moving inventories	478	254
	3,427	8,499
Changes in working capital:		
Inventories	(3,350)	(2,976)
Receivables	4,566	(261)
Contract assets	(171)	19
Payables	566	859
Cash generated from operations	5,038	6,140
Tax paid	(1,868)	(884)
Net operating cash flow	3,170	5,256
INVESTING CASH FLOWS		
Property, plant and equipment		
- purchases	(9,494)	(835)
Proceeds from disposal of property, plant, equipment	5	-
Interest received	1,306	1,611
Other investments	(40,000)	(20,000)
Additional fixed deposits pledged	-	(3,000)
Disposal of short term investment	50,610	-
Net investing cash flow	2,427	(22,224)

The rest of this page has been intentionally left blank

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2025 (CONT'D) ⁽¹⁾

	CUMULATIVE QUARTER	
	Current Period-to-date	Preceding Year Corresponding Period-to-date
	30 September 2025	30 September 2024
	RM'000	RM'000
FINANCING CASH FLOWS		
Interest paid	(18)	(133)
Repayments of term loans	(96)	(146)
Repayments of hire-purchase liabilities	-	(1,403)
Repayments of lease liabilities	(186)	(184)
Net financing cash flow	(300)	(1,866)
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,297	(18,834)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	157,556	213,948
EFFECT OF CHANGES IN EXCHANGE RATES OF CASH AND CASH EQUIVALENTS	1,603	(6,725)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	164,456	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 2025 and the accompanying explanatory notes attached to this interim financial report.

The rest of this page has been intentionally left blank

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2025

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 2025 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 2025, except for the adoption of the following standards which are effective for annual periods beginning on and after 1 July 2025.

(i) Financial year beginning on or after 1 July 2025:

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

The rest of this page has been intentionally left blank

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2025 (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 2025.

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 30 September 2025.

A6. Material Changes in Estimates

There were no material changes in estimates that have a material affect in the current period ended 30 September 2025.

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 30 September 2025.

A8. Dividend Paid

There were no dividend paid during the current period ended 30 September 2025.

The rest of this page has been intentionally left blank

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2025 (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
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
<u>Revenue from contracts with customers:</u>				
- Sales of goods	22,502	26,683	22,502	26,683
- Rendering of services	2,932	2,610	2,932	2,610
	25,434	29,293	25,434	29,293
<u>Revenue from contracts with customers by geographical locations:</u>				
- Singapore	9,175	13,542	9,175	13,542
- United States of America	10,715	10,592	10,715	10,592
- Malaysia	4,103	3,948	4,103	3,948
- Japan	350	675	350	675
- Italy	435	242	435	242
- Thailand	55	211	55	211
- Germany	86	41	86	41
- Switzerland	37	33	37	33
- China	3	8	3	8
- Romania	2	1	2	1
- Taiwan	7	-	7	-
- Ireland	466	-	466	-
	25,434	29,293	25,434	29,293

The rest of this page has been intentionally left blank

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2025 (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
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
<u>Revenue from contracts with customers by industry segments:</u>				
- Semiconductor	13,072	18,236	13,072	18,236
- Life science and medical devices	5,781	4,353	5,781	4,353
- Sport equipment	3,893	3,596	3,893	3,596
- Aerospace	859	1,633	859	1,633
- Sensor equipment	795	733	795	733
- Automotive	471	285	471	285
- Instrumentation	24	197	24	197
- Opto-mechanical	175	179	175	179
- Security	321	77	321	77
- General engineering industry	-	4	-	4
- Other	43	-	43	-
	25,434	29,293	25,434	29,293

The rest of this page has been intentionally left blank

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2025 (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
	30	30
	September	June
	2025	2025
	RM'000	RM'000
Property, plant and equipment:		
Malaysia	75,369	68,268
Singapore	87	99
	<u>75,456</u>	<u>68,367</u>
Right-of-use assets:		
Malaysia	894	1,079
Singapore	774	784
	<u>1,668</u>	<u>1,863</u>
	<u>77,124</u>	<u>70,230</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 30 September 2025.

The rest of this page has been intentionally left blank

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2025 (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 30 September 2025.

A13. Capital Commitments

There were no contractual capital commitments subsequent to the end of the current period as at 30 September 2025.

A14. Significant Related Party Transactions

There were no related party transactions for the current period ended 30 September 2025.

A15. Derivatives

There were no derivatives used in the current period ended 30 September 2025.

The rest of this page has been intentionally left blank

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 30 September 2025 ("Q1 FY2026")

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Period	Preceding Year	Changes	Current	Preceding Year	Changes
	Quarter	Corresponding		Period-to-date	Corresponding	
	Quarter	Quarter	Period-to-date	Period-to-date		
30	30		30	30		
September	September		September	September		
2025	2024		2025	2024		
	Unaudited	Unaudited	Changes	Unaudited	Unaudited	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	25,434	29,293	(13%)	25,434	29,293	(13%)
Gross Profit	4,323	8,434	(49%)	4,323	8,434	(49%)
Profit before tax ("PBT")	3,917	2,988	31%	3,917	2,988	31%

The Group recorded total revenue of approximately RM25.43 million in Q1 FY2026, mainly derived from the Semiconductor industry, which contributed RM13.07 million or 51.40% to the total revenue, followed by the Life science and medical devices industry of RM5.78 million or 22.73% and Sport equipment industry of RM3.89 million or 15.30% and Aerospace industry of RM0.86 million or 3.38% and Sensor equipment industry of RM0.80 or 3.14% and others industry RM1.03 million or 4.05%.

In Q1 FY 2026, the Group registered gross profit of RM4.32 million with gross profit margin of 17%, profit before tax of RM3.92 million and net profit after tax of RM3.35 million with a net profit after tax margin of 13.17%.

The Group's revenue for the current quarter decreased mainly due to a major customer's transition to Kanban inventory management system, where the customer reduced direct purchase volumes while the Group built supporting inventory to ensure supply continuity.

The decline in gross profit was primarily due to lower production activities during the quarter and an increase in overhead costs. In addition, the Group is currently developing new products with both new and existing customers. While these efforts are still in the preliminary phase and will generate profit in the near future, the associated expenses have been recognised in the current quarter, contributing to the margin reduction.

Despite the lower revenue and gross profit, profit before tax increased as the preceding year's corresponding quarter included a one-off foreign exchange loss of RM4.11 million.

The rest of this page has been intentionally left blank

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		Changes
	Current Period Quarter	Immediate Preceding Quarter	
	30 September 2025	30 June 2025	
	Unaudited	Audited	
	RM'000	RM'000	%
Revenue	25,434	32,435	(22%)
Gross Profit	4,323	8,644	(50%)
Profit before tax ("PBT")	3,917	4,510	(13%)

The Group registered revenue of RM25.43 million and gross profit RM4.32 million in current quarter compared with the revenue of RM32.44 million and gross profit RM8.64 million in immediate preceding quarter, representing an decrease of RM7.01 million or 22% in revenue and an decrease of RM4.32 or 50% in gross profit.

The Group registered PBT of RM3.92 million in current quarter compared with PBT of RM4.51 million in immediate preceding quarter, representing a decrease of RM0.59 million or 13% in PBT.

The Group's revenue for the current quarter decreased mainly due to lower demand from one of our major semiconductor customers. This was attributed to changes in their inventory management policy as mentioned in the previous paragraph and the softening of overall equipment demand in the Japanese market.

Gross profit declined quarter-on-quarter as production levels were comparatively lower, coupled with higher overhead costs incurred during the period. In addition, the Group continued to invest in new product development initiatives with both existing and newly secured customers. These projects are still at the early stage and have not begun contributing to revenue, while related costs were recognised in this quarter, resulting in a softer margin.

The rest of this page has been intentionally left blank

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B2. Commentary on Prospects****Market Overview**

The global semiconductor market showed uneven performance during our Q1 FY2026 (Q3 2025), with certain regions experiencing a pause in momentum after several quarters of recovery. Demand related to AI, high-performance computing (HPC), and industrial applications remains firm, but overall order visibility shortened, especially among customers exposed to Japan's equipment market.

In Japan, major equipment makers such as **Tokyo Electron revised their outlook downward**, reflecting softer capital spending and slower tool orders ^[1]. The **Semiconductor Equipment Association of Japan (SEAJ)** also projected moderated investment extending into early 2026 ^[2]. Conversely, the U.S. semiconductor equipment market remains relatively resilient, supported by strong investment in AI and advanced packaging. **Lam Research**, for instance, has maintained a **positive outlook for 2026**, highlighting continued growth opportunities driven by next-generation semiconductor technologies and AI-related infrastructure ^[3].

At the same time, **Malaysia and Singapore continue to benefit from the rising localization of semiconductor manufacturing and equipment assembly**, as more global players establish regional operations. This trend is expanding opportunities for qualified precision component suppliers and subassembly service providers within the region ^[4].

Company's Performance and Market Position

The company experienced a temporary slowdown in Q1 FY2026, mainly attributable to a major customer's transition to a **Kanban inventory management system**. Under this new model, the customer reduced direct purchase volumes while the company built supporting inventory to ensure supply continuity.

Despite the short-term impact, the company's core position in the semiconductor equipment supply chain remains strong, particularly in the **Integrated Gas System (IGS)** segment where customer qualification barriers are high. The company continues to receive steady engagement from other key customers in the U.S. and Southeast Asia, mitigating the temporary shortfall from the Kanban transition.

The **life science, medical devices, and sports equipment** segments continued to provide a stable revenue base and helped cushion the softness in the semiconductor sector.

Customer Sentiment and Demand Outlook

Customer sentiment during the quarter was mixed but constructive. While some **Japan-based customers displayed cautious purchasing behaviour** due to weaker equipment demand, **U.S. customers generally maintained consistent order flows**, supported by strong downstream activity in AI and HPC-related projects.

The company expects order visibility to remain short in the near term but anticipates improving momentum through **2026 and 2027**, aligned with industry expectations for a new up-cycle in semiconductor capital investment. The expected rebound in equipment demand — led by AI, advanced packaging, and next-generation fabrication nodes — is likely to restore a healthier order environment over the medium term ^[5].

Operational and Risk Management

To navigate near-term challenges, the company continues to manage operations with flexibility and cost discipline. Key risks being monitored include **changes in customer procurement models, geopolitical trade policies, Japan market softness, and foreign exchange volatility**.

The rest of this page has been intentionally left blank

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

B2. Commentary on Prospects

Conclusion

In summary, the company faced a **temporary slowdown in Q1 FY2026** arising from customer inventory policy changes and softer Japan equipment demand. Nevertheless, the **medium-term outlook for the semiconductor equipment market remains positive**, supported by steady U.S. demand, **Lam Research's growth forecast for 2026**, and continued expansion of semiconductor manufacturing and assembly activities in **Malaysia and Singapore**.

With strong financial fundamentals, diversified end markets, and long-standing customer relationships, the company is well-positioned to manage short-term volatility and capture growth opportunities as global semiconductor capital investment resumes its upward trajectory in 2026 and 2027.

B3. Profit Forecast

Not applicable as no profit forecast was published.

B4. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter	Current Period- to-date	Preceding Year Corresponding Period-to-date
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Deferred tax	-	-	-	-
Current tax expenses				
- Current year	476	704	476	704
- Prior year	91	-	91	-
	567	704	567	704
Effective tax rate (%)	12.15	23.56	12.15	23.56
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 for the quarter was below the Malaysian statutory tax rate of 24%. This was mainly attributable to the Group's operations across difference jurisdictions with varying tax regimes, as well as certain income streams that qualify for tax exemptions.

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.

The rest of this page has been intentionally left blank

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:

No.	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	13,799	1,299	Within 21 months	1,299	The unutilised amount to be utilised in line with the revised utilisation proposal announced on 06 November 2025, which will be tabled for shareholders' approval at the proposed EGM on 01 December 2025.
3.	Purchase of new machinery and equipment and relocation of existing machinery and equipment	32,882	12,592	20,290	Within 48 months	-	-
4.	Repayment of bank borrowings	17,454	17,454	-	Within 36 months	-	-
5.	Part-financing working capital expenditure requirements	46,909	45,934	975	Within 24 months	-	-

No.	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			
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	102,516	77,061	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.

The rest of this page has been intentionally left blank

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 30 September 2025 RM'000	Audited 30 June 2025 RM'000
<u>Interest-bearing bank borrowings</u>		
<u>Non - current</u>		
Term loans	199	301
Hire Purchase Creditors	-	-
	199	301
<u>Current</u>		
Term loans	395	389
Hire Purchase Creditors	-	-
	395	389
<u>Currency Denominated In</u>		
Ringgit Malaysia ("MYR")	594	690
Singapore Dollars ("SGD")	-	-
	594	690
<u>Lease Liabilities</u>		
Non - current	1,022	1,095
Current	645	764
	1,667	1,859

The rest of this page has been intentionally left blank

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
	30 September 2025	30 September 2024
	RM'000	RM'000
Operating profit is arrived at after charging/(crediting):		
Interest Income	(1,321)	(1,625)
Interest expense	18	133
Depreciation of property, plant and equipment	2,342	1,942
Amortisation of right-of-use assets	189	187
Fair value gain on other investments	(266)	(90)
(Gain) / Loss on foreign exchange :		
- Realised	1,650	(599)
- Unrealised	(1,988)	4,710
Additional allowance for slow moving and obsolete inventories	478	254
Upkeep, repair and maintenance	952	752

B9. Material Litigation

Our Group is not engaged in any material litigation for the current period ended 30 September 2025.

B10. Dividend

The Board does not recommend any dividend for the current period ended 30 September 2025.

The rest of this page has been intentionally left blank

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
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Profit attributable to the owners of the Company	3,350	2,284	3,350	2,284
Weighted average number of ordinary shares in issue (basic) (unit)	671,315	671,315	671,315	671,315
Basic EPS (sen) ⁽¹⁾	0.50	0.34	0.50	0.34
Diluted EPS (sen) ⁽²⁾	0.50	0.34	0.50	0.34

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 21 November 2025.

The rest of this page has been intentionally left blank