



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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31
DECEMBER 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 DECEMBER 2025 ⁽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 2025	31 December 2024	31 December 2025	31 December 2024
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Revenue	25,156	33,198	50,590	62,491
Cost of sales	(20,326)	(22,474)	(41,437)	(43,333)
Gross Profit	4,830	10,724	9,153	19,158
Other income	493	685	1,458	695
Other gains/ (losses), net	(761)	3,485	(419)	(535)
Selling and marketing expenses	(550)	(467)	(1,164)	(1,076)
General and administrative expenses	(2,657)	(2,454)	(5,058)	(4,773)
Operating profit	1,355	11,973	3,970	13,469
Finance income	1,141	1,434	2,461	3,059
Finance costs	(18)	(99)	(36)	(232)
Finance income/(costs) , net	1,123	1,335	2,425	2,827
Profit Before Tax	2,478	13,308	6,395	16,296
Tax expense	(678)	(2,838)	(1,245)	(3,542)
Profit After Tax	1,800	10,470	5,150	12,754
Other comprehensive income for the financial period, net of tax:	(1,271)	(397)	(1,654)	(2,418)
Currency translation differences	(1,271)	(397)	(1,654)	(2,418)
Total comprehensive income for the financial period	529	10,073	3,496	10,336
Basic earnings per share (sen) ⁽²⁾	0.27	1.56	0.77	1.90
Diluted earnings per share (sen) ⁽³⁾	0.27	1.56	0.77	1.90



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 DECEMBER 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 31 December 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 31 December 2025 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 2025 ⁽¹⁾

	As at 31 December 2025 (Unaudited) RM'000	As at 30 June 2025 (Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	73,586	68,367
Right-of-use assets	2,188	1,863
Deferred tax assets	425	417
Deposits with licensed banks	921	913
	77,120	71,560
CURRENT ASSETS		
Inventories	49,597	47,295
Receivables, deposits and prepayments	17,574	23,905
Contract assets	145	79
Current tax receivable	2,458	367
Other investments	53,667	50,610
Deposits, cash and bank balances	141,559	157,556
	265,000	279,812
CURRENT LIABILITIES		
Payables and accrued liabilities	12,571	15,367
Current tax provision	2,575	2,528
Borrowings	154	389
Lease liabilities	907	1,095
	16,207	19,379
	248,793	260,433
NET ASSETS	325,913	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	1,556	3,210
Retained profits	142,606	147,523
Shareholders' equity	321,704	328,275
NON-CURRENT LIABILITIES		
Borrowings	402	301
Lease liabilities	1,283	764
Deferred tax liabilities	2,524	2,653
	4,209	3,718
	325,913	331,993
Net assets per share (sen) ⁽²⁾	0.49	0.49



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 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 31 December 2025 of 671,314,791 ordinary shares (30 June 2025: 671,314,791 shares).

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 31 DECEMBER 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	-	-	-	5,150	5,150
- Other comprehensive income for the financial period, net of tax	-	-	(1,654)	-	(1,654)
	-	-	(1,654)	5,150	3,496
<u>Transaction with Owners of the Company</u>					
Dividend paid	-	-	-	(10,067)	(10,067)
	-	-	-	(10,067)	(10,067)
As at 31 December 2025	263,757	(86,215)	1,556	142,606	321,704



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 31 DECEMBER 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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND QUARTER ENDED 31 DECEMBER 2025 ⁽¹⁾

	CUMULATIVE QUARTER	
	Current Period-to-date	Preceding Year Corresponding Period-to-date
	31 December 2025	31 December 2024
	RM'000	RM'000
OPERATING CASH FLOWS		
Profit before taxation	6,395	16,296
Adjustments for:		
Property, plant and equipment:		
- depreciation	4,760	3,854
- gain on disposal	(5)	-
- written off	72	-
Amortisation of right-of-use assets	416	372
Finance income	(2,461)	(3,059)
Finance costs	36	232
Fair value gain on other investments	(640)	(302)
Unrealised foreign exchange loss	(1,409)	1,150
Provision for slow moving inventories	703	649
	7,867	19,192
Changes in working capital:		
Inventories	(3,006)	(4,904)
Receivables	6,331	(5,228)
Contract assets	(66)	(7)
Payables	(2,796)	(509)
Cash generated from operations	8,330	8,544
Tax paid	(3,031)	(1,802)
Tax refunded	82	-
Net operating cash flow	5,381	6,742
INVESTING CASH FLOWS		
Property, plant and equipment		
- purchases	(10,080)	(11,438)
Proceeds from disposal of property, plant, equipment	5	-
Interest received	2,435	3,032
Other investments	(53,001)	(26,000)
Disposal of short term investment	49,689	-
Net investing cash flow	(10,952)	(34,406)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND QUARTER ENDED 31 DECEMBER 2025 (CONT'D) ⁽¹⁾

	CUMULATIVE QUARTER	
	Current Period-to-date	Preceding Year Corresponding Period-to-date
	31 December 2025	31 December 2024
	RM'000	RM'000
FINANCING CASH FLOWS		
Dividend paid	(10,067)	(6,713)
Interest paid	(37)	(232)
Repayments of term loans	(133)	(5,270)
Repayments of hire-purchase liabilities	-	(2,529)
Repayments of lease liabilities	(410)	(370)
Net financing cash flow	(10,647)	(15,114)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(16,218)	(42,778)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	158,469	213,948
EFFECT OF CHANGES IN EXCHANGE RATES OF CASH AND CASH EQUIVALENTS	(692)	(3,567)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	141,559	167,603

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.

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

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 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 31 December 2025.

A6. Material Changes in Estimates

There were no material changes in estimates that have a material affect in the current period ended 31 December 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 31 December 2025.

A8. Dividend Paid

On 10 December 2025, the Group declared a first interim single-tier dividend of 1.50 sen per ordinary share for the current period ended 31 December 2025 which was paid on 23 December 2025 to shareholders registered at the close of business on 10 December 2025.

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 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
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
<u>Revenue from contracts with customers:</u>				
- Sales of goods	22,471	30,865	44,973	57,548
- Rendering of services	2,685	2,333	5,617	4,943
	25,156	33,198	50,590	62,491
<u>Revenue from contracts with customers by geographical locations:</u>				
- Singapore	10,614	14,311	19,790	27,853
- United States of America	7,075	13,792	17,791	24,384
- Malaysia	5,806	3,708	9,910	7,656
- Japan	818	435	1,168	1,110
- Italy	-	560	432	802
- Thailand	228	243	283	454
- Germany	196	96	282	137
- Switzerland	32	31	69	64
- China	2	20	5	28
- Romania	2	2	4	3
- Taiwan	26	-	33	-
- Ireland	357	-	823	-
	25,156	33,198	50,590	62,491

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 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
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
<u>Revenue from contracts with customers by industry segments:</u>				
- Semiconductor	15,592	23,146	28,664	41,382
- Life science and medical devices	1,983	4,328	7,764	8,681
- Sport equipment	5,029	3,510	8,922	7,106
- Aerospace	1,058	718	1,917	2,351
- Sensor equipment	796	465	1,591	1,198
- Automotive	64	601	535	886
- Instrumentation	265	218	289	415
- Opto-mechanical	350	182	525	361
- Security	19	15	340	92
- General engineering industry	-	15	-	19
- Other	-	-	43	-
	25,156	33,198	50,590	62,491

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 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
	31	30
	December	June
	2025	2025
	RM'000	RM'000
Property, plant and equipment:		
Malaysia	73,513	68,268
Singapore	73	99
	<u>73,586</u>	<u>68,367</u>
Right-of-use assets:		
Malaysia	1,440	1,079
Singapore	748	784
	<u>2,188</u>	<u>1,863</u>
	<u>75,774</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 31 December 2025.

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 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 31 December 2025.

A13. Capital Commitments

There were no contractual capital commitments subsequent to the end of the current period as at 31 December 2025.

A14. Significant Related Party Transactions

There were no related party transactions for the current period ended 31 December 2025.

A15. Derivatives

There were no derivatives used in the current period ended 31 December 2025.

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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 2025 ("Q2 FY2026")

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Period Quarter	Preceding Year Corresponding Quarter		Current Period-to-date	Preceding Year Corresponding Period-to-date	
	31 December 2025	31 December 2024		31 December 2025	31 December 2024	
	Unaudited RM'000	Unaudited RM'000	Changes %	Unaudited RM'000	Unaudited RM'000	Changes %
Revenue	25,156	33,198	(24%)	50,590	62,491	(19%)
Gross Profit	4,837	10,724	(55%)	9,160	19,158	(52%)
Profit before tax ("PBT")	2,485	13,308	(81%)	6,402	16,296	(61%)

The Group recorded total revenue of approximately RM25.16 million in Q2 FY2026, mainly derived from the Semiconductor industry, which contributed RM15.59 million or 61.97% to the total revenue, followed by the Sport equipment industry of RM5.03 million or 19.99% and Life science and medical devices industry of RM1.98 million or 7.87% and Aerospace industry of RM1.06 million or 4.21% and Sensor equipment industry of RM0.80 or 3.18% and others industry RM0.70 million or 2.78%.

In Q2 FY 2026, the Group registered gross profit of RM4.84 million with gross profit margin of 19.20%, profit before tax of RM2.49 million and net profit after tax of RM1.80 million with a net profit after tax margin of 7.16%.

The Group's revenue for the current quarter decreased mainly due to the softening of overall equipment demand in the semiconductor market.

The decline in gross profit and profit before tax was primarily due to lower production activities during the quarter and increase in overhead costs such as labour cost and utilities. 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.

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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 2025	30 September 2025	
	Unaudited	Unaudited	
	RM'000	RM'000	%
Revenue	25,156	25,434	(1%)
Gross Profit	4,830	4,323	12%
Profit before tax ("PBT")	2,478	3,917	(37%)

The Group registered revenue of RM25.16 million and gross profit RM4.83 million in current quarter compared with the revenue of RM25.44 million and gross profit RM4.32 million in immediate preceding quarter, representing an decrease of RM0.28 million or 1% in revenue and an decrease of RM0.51 or 12% in gross profit.

The Group registered PBT of RM2.48 million in current quarter compared with PBT of RM3.92 million in immediate preceding quarter, representing a decrease of RM1.44 million or 37% in PBT.

Revenue remained consistent with the previous quarter, and we saw improved gross profit through better cost management and production efficiency. However, Profit Before Tax (PBT) declined due to a significant swing in foreign exchange. We moved from a RM0.34 million gain in the preceding quarter to a RM0.76 million loss this quarter.

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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**

During the quarter under review, the global semiconductor industry continued to experience uneven near-term demand, with cautious customer purchasing behaviour and shorter order visibility. However, industry forecasts indicate that semiconductor manufacturing equipment demand is expected to grow over the medium term, supported by investments in leading-edge logic, memory, and advanced packaging technologies. According to SEMI, global semiconductor equipment sales are projected to reach approximately US \$145 billion in 2026 and US \$156 billion in 2027, representing three consecutive years of growth driven by capacity expansions and AI-related investment.

Furthermore, SEMI's 300mm fab equipment outlook forecasts continued robust spending on equipment needed for advanced node production — with front-end fab equipment expected to increase through 2026 and 2027 as fabs expand to meet demand for AI and next-generation applications.

In Japan, semiconductor equipment market conditions showed early signs of stabilisation following earlier softness, supported by resilience in AI-related demand and broader global semiconductor trends. Meanwhile, certain U.S. and regional markets maintained steady activity as customers worked on product readiness and new platform development ahead of anticipated cycles of capital investment.

Company's Performance and Market Position

During the quarter, the Group did not experience a meaningful rebound in near-term semiconductor production demand, as customers continued to adopt conservative purchasing and inventory approaches. Despite this, engagement with semiconductor customers remained strong in strategic areas.

The Group is currently busy with extensive product development, engineering support, and qualification activities requested by semiconductor customers. These activities, focused on new product introductions and readiness for future programme ramps, consumed significant manufacturing and engineering capacity and contributed to tight capacity utilisation even though volume shipments remained modest.

In addition, the Group is in the final stages of negotiating a technical cooperation with a Japanese counterpart. Subject to finalisation, this cooperation is expected to enhance the Group's technical capabilities, process expertise, and manufacturing competency, enabling it to serve new semiconductor customers with higher complexity requirements more effectively.

The Group continued to support its customers supplying into global semiconductor equipment ecosystems, with engagements centred on future platform development and readiness — consistent with broader industry signals of medium-term growth prospects.

Non-Semiconductor Segments

Demand from the medical devices, life science, sports equipment, and other industrial sectors remained relatively stable during the quarter, contributing to a diversified revenue base that helped mitigate the volatility observed in the semiconductor segment.

Customer Sentiment and Demand Outlook

Customer sentiment during the quarter was cautiously constructive. While near-term order volumes remained restrained, the high level of development and qualification activity suggests that customers are actively preparing for future production ramps once market conditions improve.

Management notes that, based on ongoing customer activities and industry forecasts indicating continued semiconductor equipment spending growth into 2026 and 2027, demand conditions are expected to improve progressively over the medium term.

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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

Operational Strategy and Risk Management

The Group continues to manage operations with discipline and flexibility, focusing on capacity allocation, engineering optimisation, and cost efficiency. Key risks remain under close review, including timing of volume ramp-ups following development phases, prolonged semiconductor market softness, changes in customer procurement models, geopolitical developments, and foreign exchange volatility.

Conclusion

In summary, the Group experienced soft near-term semiconductor demand during the quarter, while concurrently managing high levels of development and qualification activity, resulting in tight capacity utilisation. The advanced stage of negotiations for a technical cooperation with a Japanese partner, together with strong engagement across global semiconductor supply chains, reinforces the Group's medium-term growth prospects.

With enhanced technical capabilities, diversified end-market exposure, and early involvement in customer development cycles, the Group is well-positioned to navigate near-term challenges and capture growth opportunities as semiconductor equipment demand is expected to strengthen in 2026 and 2027.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)
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
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Deferred tax	-	-	-	-
Current tax expenses				
- Current year	587	2,838	1,154	3,542
- Prior year	91	-	91	-
	678	2,838	1,245	3,542
Effective tax rate (%)	23.69%	21.33%	18.05%	21.74%
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.

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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:

No	P u r p o s e	Proposed Utilisation	Re-allocation ⁽¹⁾⁽²⁾	Re-allocated Utilisation	Actual Utilisation	Balance Unutilised	Intended Timeframe for Utilisation
		RM'000	RM'000	RM'000	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.	15,098	(1,299)	13,799	13,799	-	Within 21 months
3.	Purchase of new machinery and equipment and relocation of existing machinery and equipment	32,882	-	32,882	12,592	20,290	Within 60 months
4.	Repayment of bank borrowings	17,454	-	17,454	17,454	-	Within 36 months
5.	Part-financing working capital expenditure requirements	46,909	30,205	77,114	51,175	25,939	Within 60 months
6.	Part financing other capital expenditure requirements	1,422	-	1,422	1,422	-	Within 12 months
7.	Estimated listing expenses	11,315	-	11,315	11,315	-	Within 3 months
8.	Enhancement of operational facilities	-	25,591	25,591	-	25,591	Within 60 months
Total		179,577	-	179,577	107,757	71,820	N/A



* The presentation has been revised based on the proposed variation and extension of timeframe approved at the Extraordinary General Meeting held on 1 December 2025.

Note:-

- (1) An amount of RM54.50 million has been reallocated from 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 to part-financing working capital expenditure requirements amounting to RM30.20 million, and enhancement of operational facilities amounting to RM 24.30 million.
- (2) An amount of RM1.30 million has been reallocated from proposed acquisition and related expenses of Plant 6 into enhancement of operational facilities.

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	Audited
	31 December	30 June
	2025	2025
	RM'000	RM'000
<u>Interest-bearing bank borrowings</u>		
<u>Non - current</u>		
Term loans	402	301
<u>Current</u>		
Term loans	154	389
<u>Currency Denominated In</u>		
Ringgit Malaysia ("MYR")	556	690
<u>Lease Liabilities</u>		
Non - current	1,283	1,095
Current	907	764
	2,190	1,859

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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 2025 RM'000	31 December 2024 RM'000
Operating profit is arrived at after charging/(crediting):		
Interest Income	(1,140)	(1,434)
Interest expense	18	99
Depreciation of property, plant and equipment	2,418	1,912
Amortisation of right-of-use assets	227	185
Fair value gain on other investments	(374)	(212)
(Gain) / Loss on foreign exchange :		
- Realised	183	15
- Unrealised	579	(3,560)
Additional allowance for slow moving and obsolete inventories	225	395
Upkeep, repair and maintenance	787	628

B9. Material Litigation

Our Group is not engaged in any material litigation for the current period ended 31 December 2025.

B10. Dividend

On 10 December 2025, the Group declared a first interim single-tier dividend of 1.50 sen per ordinary share for the current period ended 31 December 2025 which was paid on 23 December 2025 to shareholders registered at the close of business on 10 December 2025.

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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 2025	31 December 2024	31 December 2025	31 December 2024
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Profit attributable to the owners of the Company	1,800	10,470	5,150	12,754
Weighted average number of ordinary shares in issue (basic) (unit)	671,315	671,315	671,315	671,315
Basic EPS (sen) ⁽¹⁾	0.27	1.56	0.77	1.90
Diluted EPS (sen) ⁽²⁾	0.27	1.56	0.77	1.90

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 9 February 2026.

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