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

INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 30 JUNE 2026

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FORTH QUARTER ENDED 30 JUNE 2026 (1)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	**Preceding Year Corresponding Quarter**	**Current Period-to-date**	**Preceding Year Corresponding Period-to-date**
Items	**30 June 2026**	**30 June 2025**	**30 June 2026**	**30 June 2025**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
	RM’000	**RM’000**	**RM’000**	**RM’000**
Revenue	35,948	32,435	117,228	129,141
Cost of sales	(25,203)	(23,791)	(89,082)	(89,200)
Gross Profit	10,745	8,644	28,146	39,941
Other income	909	1,637	2,779	2,586
Other gains/ (losses), net	386	(2,089)	4	(3,312)
Selling and marketing expenses	(487)	(551)	(2,099)	(2,204)
General and administrative expenses	(2,804)	(2,787)	(10,361)	(10,140)
Operating profit	8,749	4,854	18,469	26,871
Finance income	1,033	(272)	4,518	4,039
Finance costs	(44)	(72)	(95)	(375)
Finance income, net	989	(344)	4,423	3,664
Profit Before Tax	9,738	4,510	22,892	30,535
Tax expense	(1,782)	(1,318)	(4,707)	(6,945)
Profit After Tax	7,956	3,192	18,185	23,590
Other comprehensive income for the financial period, net of tax:	3,381	62	1,587	(2,521)
Currency translation differences	3,381	62	1,587	(2,521)
Total comprehensive income for the financial period	11,337	3,254	19,772	21,069
Basic earnings per share (sen) (2)	1.19	0.48	2.71	3.51
Diluted earnings per share (sen) (3)	1.19	0.48	2.71	3.51

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FORTH QUARTER ENDED 30 JUNE 2026 (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 June 2026 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 June 2026 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 30 JUNE 2026 (1)

	As at 30 June 2026 (Unaudited)	As at 30 June 2025 (Audited)
	RM'000	RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	72,896	68,367
Right-of-use assets	1,532	1,863
Deferred tax assets	477	417
Deposits with licensed banks	930	913
	75,835	**71,560**
CURRENT ASSETS		
Inventories	45,828	47,295
Receivables, deposits and prepayments	30,833	23,905
Contract assets	146	79
Current tax receivable	1,633	367
Other investments	30,792	50,610
Deposits, cash and bank balances	170,609	157,556
	279,841	**279,812**
CURRENT LIABILITIES		
Payables and accrued liabilities	14,742	15,367
Current tax provision	1,628	2,528
Borrowings	157	389
Lease liabilities	869	1,095
	17,396	**19,379**
	262,445	**260,433**
NET ASSETS	**338,280**	**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	1,623	3,210
Retained profits	155,641	147,523
Shareholders' equity	**334,806**	**328,275**
NON-CURRENT LIABILITIES		
Borrowings	324	301
Lease liabilities	687	764
Deferred tax liabilities	2,463	2,653
	3,474	**3,718**
	338,280	**331,993**
Net assets per share (sen)(2)	**0.50**	**0.49**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026 (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 June 2026 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 FORTH QUARTER ENDED 30 JUNE 2026 (1)

Audited	**Share capital RM'000**	**Capital reorgani-sation reserve RM'000**	**Currency translation reserve RM'000**	**Retained profits RM'000**	**Total RM'000**
As at 1 July 2024	263,757	(86,215)	5,731	130,646	313,919
Total Comprehensive Income:					
- 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
Transaction with Owners of the Company					
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
Unaudited					
As at 1 July 2025	263,757	(86,215)	3,210	147,523	328,275
Total Comprehensive Income:					
- Net profit for the financial period	-	-	-	18,185	18,185
- Other comprehensive income for the financial period, net of tax	-	-	(1,587)	-	(1,587)
	-	-	(1,587)	18,185	16,598
Transaction with Owners of the Company					
Dividend paid	-	-	-	(10,067)	(10,067)
	-	-	-	(10,067)	(10,067)
As at 30 June 2026	263,757	(86,215)	1,623	155,641	334,806

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FORTH QUARTER ENDED 30 JUNE 2026 (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 FORTH QUARTER ENDED 30 JUNE 2026 (1)

	CUMULATIVE QUARTER	
	Current Period-to-date	Preceding Year Corresponding Period-to-date
	30 June 2026	30 June 2025
	RM'000	RM'000
OPERATING CASH FLOWS		
Profit before taxation	22,892	30,535
Adjustments for:		
Property, plant and equipment:		
- depreciation	9,618	7,937
- losses/(gains) on disposal	(83)	(1)
- written off	9	22
Amortisation of right-of-use assets	1,303	1,208
Finance income	(4,518)	(4,039)
Finance costs	96	375
Fair value gain on other investments	(1,502)	(878)
Unrealised foreign exchange (gains)/losses	(2,507)	4,393
Provision for slow moving inventories	1,089	1,300
	26,397	40,852
Changes in working capital:		
Inventories	378	(3,389)
Receivables	(6,928)	(2,916)
Contract assets	(67)	9
Payables	(625)	4,039
Cash generated from operations	19,155	38,595
Tax paid	(7,062)	(4,753)
Net operating cash flow	12,093	33,842
INVESTING CASH FLOWS		
Property, plant and equipment		
- purchases	(14,305)	(19,526)
Proceeds from disposal of property, plant, equipment	83	1
Interest received	3,531	4,884
Other investments	(29,233)	925
Disposal of short term investment	50,610	(50,610)
Net investing cash flow	10,686	(64,326)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FORTH QUARTER ENDED 30 JUNE 2026 (CONT'D) [(1)]

	CUMULATIVE QUARTER	
	Current Period-to-date	Preceding Year Corresponding Period-to-date
	30 June 2026	30 June 2025
	RM'000	RM'000
FINANCING CASH FLOWS		
Dividend paid	(10,067)	(6,713)
Interest paid	(95)	(375)
Repayments of term loans	(209)	(4,681)
Repayments of hire-purchase liabilities	-	(5,146)
Repayments of lease liabilities	(1,275)	(1,169)
Net financing cash flow	(11,646)	(18,084)
NET CHANGE IN CASH AND CASH EQUIVALENTS	11,133	(48,568)
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	1,007	(6,911)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	170,609	158,469

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 FORTH QUARTER ENDED 30 JUNE 2026

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 FORTH QUARTER ENDED 30 JUNE 2026 (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 June 2026.

A6. Material Changes in Estimates

There were no material changes in estimates that have a material affect in the current period ended 30 June 2026.

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 June 2026.

A8. Dividend Paid

There were no dividend paid during the current period ended 30 June 2026.

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 30 JUNE 2026 (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 June 2026	30 June 2025	30 June 2026	30 June 2025
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers:				
- Sales of goods	33,462	30,628	105,536	120,243
- Rendering of services	2,486	1,807	11,692	8,898
	35,948	32,435	117,228	129,141
Revenue from contracts with customers by geographical locations:				
- Singapore	21,394	13,018	58,612	55,159
- United States of America	7,578	14,008	32,541	54,031
- Malaysia	6,041	4,095	21,219	15,592
- Japan	722	526	2,273	1,823
- Italy	(6)	493	366	1,283
- Thailand	27	127	576	626
- Germany	112	91	543	376
- Switzerland	(1)	30	98	172
- China	20	27	28	54
- Romania	1	5	6	5
- Taiwan	69	-	123	-
- Ireland	(9)	15	843	20
	35,948	32,435	117,228	129,141

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 30 JUNE 2026 (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 June 2026	30 June 2025	30 June 2026	30 June 2025
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers by industry segments:				
- Semiconductor	27,200	22,066	77,625	85,288
- Life science and medical devices	1,649	3,650	11,248	18,866
- Sport equipment	4,091	3,883	17,484	14,756
- Aerospace	1,606	1,211	4,907	4,701
- Sensor equipment	987	721	3,271	2,538
- Automotive	46	529	586	1,446
- Instrumentation	3	236	494	840
- Opto-mechanical	308	97	1,177	542
- Security	58	42	393	145
- General engineering industry	-	-	-	19
- Other	-	-	43	-
	35,948	32,435	117,228	129,141

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 30 JUNE 2026 (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 30 June 2026 RM'000	Audited 30 June 2025 RM'000
Property, plant and equipment:		
Malaysia	72,801	68,268
Singapore	95	99
	72,896	68,367
Right-of-use assets:		
Malaysia	1,217	1,079
Singapore	315	784
	1,532	1,863
	74,428	70,230

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 June 2026.

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 30 JUNE 2026 (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 June 2026.

A13. Capital Commitments

	Unaudited 30 June 2026 RM'000	Audited 30 June 2025 RM'000
Description :		
Contracted but not provided for	24,946	7,802
Approved but not contracted for	-	-
Total	24,946	7,802

As of 30 June 2026, the Group has a capital commitment of RM24.95 million, primarily related to the purchase of Computer Numerical Control (CNC) machines, solar system and other fixed assets. This investment forms part of the Group's ongoing efforts to enhance production capacity and improve operational efficiency to meet 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 30 June 2026.

A15. Derivatives

There were no derivatives used in the current period ended 30 June 2026.

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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 30 June 2026 (“Q4 FY2026”)

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Period Quarter	Preceding Year Corresponding Quarter		Current Period-to-date	Preceding Year Corresponding Period-to-date	
	30 June 2026	30 June 2025		30 June 2026	30 June 2025	
	Unaudited	Audited	Changes	Unaudited	Audited	Changes
	RM’000	RM’000	%	RM’000	RM’000	%
Revenue	35,948	32,435	11%	117,228	129,141	(9%)
Gross Profit	10,745	8,644	24%	28,146	39,941	(30%)
Profit before tax (“PBT”)	9,738	4,510	116%	22,892	30,535	(25%)

The Group recorded total revenue of approximately RM35.95 million in Q4 FY2026, mainly derived from the Semiconductor industry, which contributed RM27.20 million or 75.66% to the total revenue, followed by the Sport equipment industry of RM4.09 million or 11.38% and Life science and medical devices industry of RM1.65 million or 4.59% and Aerospace industry of RM1.60 million or 4.45% and Sensor equipment industry of RM0.99 or 2.75% and others industry RM0.42 million or 1.17%.

In Q4 FY 2026, the Group registered gross profit of RM10.75 million with gross profit margin of 29.90%, profit before tax of RM9.74 million and net profit after tax of RM7.96 million with a net profit after tax margin of 22.14%.

The Group’s performance for Q4 FY2026 improved compared with Q4 FY2025, mainly attributable to higher customer demand, particularly from customers in the semiconductor segment.

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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 Quarter	Immediate Preceding Quarter Ended	Changes
	30 June 2026	31 March 2026	
	Unaudited	Unaudited	
	RM'000	RM'000	%
Revenue	35,948	30,690	17%
Gross Profit	10,745	8,248	30%
Profit before tax ("PBT")	9,738	6,759	44%

The Group registered revenue of RM35.95 million and gross profit RM10.75 million in current quarter compared with the revenue of RM30.69 million and gross profit RM8.25 million in immediate preceding quarter, representing an increase of RM5.26 million or 17% in revenue and an increase of RM2.50 million or 30% in gross profit.

The Group registered PBT of RM9.74 million in current quarter compared with PBT of RM6.76 million in immediate preceding quarter, representing a increase of RM2.98 million or 44% in PBT.

The Group's revenue for FY2026 Quarter 4 increased compared with FY2026 Quarter 3, mainly due to higher production volume following the progressive return of production capacity to mass production activities. As new product development activities undertaken in the earlier quarters moderated, the Group was able to allocate more resources to fulfil existing customer demand, particularly from the semiconductor segment, which contributed to the increase in revenue.

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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

Looking ahead, the Board remains confident in the Group's long-term growth prospects, supported by favourable long-term structural growth drivers in the global semiconductor industry. The accelerating adoption of artificial intelligence ("AI"), high-performance computing, advanced memory and other leading-edge semiconductor technologies continues to drive sustained investments in front-end semiconductor manufacturing equipment. These industry trends provide a favourable operating environment for the Group's core precision manufacturing business supporting the Integrated Gas System ("IGS") equipment supply chain.

Against this backdrop, the Group has experienced strong growth in customer enquiries, order momentum and production requirements. As at 30 June 2026, the Group's order book had approximately doubled compared with six months earlier, driven by substantially higher order volumes from existing customers, inventory replenishment following the industry downturn and improving market demand. In addition, the Group has secured new customer projects which are expected to commence production ramp-up over the coming quarters, providing further opportunities to broaden the Group's customer base and support future growth.

To support the sustained increase in customer demand, the Group continues to execute its largest capacity and capability expansion programme to date. During the financial year, the Group committed to the acquisition of 118 new CNC machines, of which 11 machines had been received and commissioned by 30 June 2026. The remaining 107 CNC machines are expected to be delivered progressively during the second half of calendar year 2026, substantially enhancing the Group's machining capacity and operational efficiency.

Building on this expansion programme, the Group has recently placed orders for an additional 70 CNC machines, which are expected to be delivered during the first half of calendar year 2027. These investments reflect the Group's confidence in the long-term growth prospects of the semiconductor industry and its commitment to expanding manufacturing capacity to support increasing customer demand, future business expansion and the Group's long-term growth strategy.

To support this continued expansion, subsequent to the financial year end the Group completed the acquisition of a detached factory strategically located in close proximity to its existing manufacturing facilities. The new factory, which is comparable in size to the Group's existing production facilities, will provide additional manufacturing space to accommodate the expanding CNC machine fleet and support future business growth. The Group will continue to evaluate further expansion opportunities to ensure sufficient production capacity and operational flexibility to meet customers' evolving requirements.

The Group has also announced a proposed joint venture with a Japanese technology partner to establish advanced cleaning and surface treatment capabilities for high-value precision components for semiconductor manufacturing equipment applications. The proposed collaboration is expected to combine the partner's technological expertise and specialised know-how with the Group's precision manufacturing capabilities, production capacity and established customer network. Subject to the successful implementation of the proposed joint venture, the Board believes this strategic collaboration will strengthen the Group's technological capabilities, broaden its value-added product offerings and further enhance its competitive position within the semiconductor equipment supply chain.

The medical device and other industrial segments are expected to remain resilient and continue providing stable contributions to the Group's overall performance.

While geopolitical developments, global trade policies, customer inventory adjustments and macroeconomic uncertainties remain factors that may influence the pace of industry growth, the Board believes that the favourable long-term fundamentals of the semiconductor industry, coupled with the Group's strengthened order book, ongoing manufacturing capacity expansion, investment in additional manufacturing infrastructure, the proposed strategic technology collaboration with its Japanese partner and the Group's strong financial position, position the Group well to capture future growth opportunities.

The Group will continue to focus on operational excellence, prudent cost management, technological innovation, disciplined execution of its strategic expansion plans, investment in advanced manufacturing capabilities and talent development to strengthen its competitive position, create sustainable value for its customers and deliver long-term value to its shareholders.

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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
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Deferred tax	153	(213)	153	(213)
Current tax expenses				
- Current year	1,928	1,528	4,380	7,161
- Prior year	(299)	3	174	(3)
	1,782	1,318	4,707	6,945
Effective tax rate (%)	19.80%	33.88%	19.13%	23.45%
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	Purpose	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	15,493	17,389	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	60,707	16,407	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	120,190	59,387	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
	30 June 2026	30 June 2025
	RM'000	RM'000
Interest-bearing bank borrowings		
Non - current		
Term loans	324	301
Current		
Term loans	157	389
Currency Denominated In		
Ringgit Malaysia ("MYR")	481	690
Lease Liabilities		
Non - current	687	764
Current	869	1,095
	1,556	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
	30 June 2026	30 June 2025
	RM'000	RM'000
Operating profit is arrived at after charging/(crediting):		
Interest Income	(1,033)	(1,273)
Interest expense	44	72
Depreciation of property, plant and equipment	2,459	2,121
Amortisation of right-of-use assets	672	600
Fair value gain on other investments	(457)	(325)
(Gain) / Loss on foreign exchange :		
- Realised	(189)	674
- Unrealised	(57)	2,293
Additional allowance for slow moving and obsolete inventories	344	634
Upkeep, repair and maintenance	1,208	725

B9. Material Litigation

Our Group is not engaged in any material litigation for the current period ended 30 June 2026.

B10. Dividend

There were no dividend paid during the current period ended 30 June 2026.

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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
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	Unaudited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Profit attributable to the owners of the Company	7,956	3,192	18,185	23,590
Weighted average number of ordinary shares in issue (basic) (unit)	671,315	671,315	671,315	671,315
Basic EPS (sen) [1]	1.19	0.48	2.71	3.51
Diluted EPS (sen) [2]	1.19	0.48	2.71	3.51

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 Aug 2026.

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