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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2026

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 September 2026**	**30 September 2025**	**30 September 2026**	**30 September 2025**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	43,878	25,434	43,878	25,434
Cost of sales	(31,863)	(21,111)	(31,863)	(21,111)
Gross Profit	**12,015**	**4,323**	**12,015**	**4,323**
Other income	392	965	392	965
Other gains/ (losses), net	(460)	342	(460)	342
Selling and marketing expenses	(709)	(614)	(709)	(614)
General and administrative expenses	(3,051)	(2,401)	(3,051)	(2,401)
Operating profit	**8,187**	**2,615**	**8,187**	**2,615**
Finance income	1,095	1,320	1,095	1,320
Finance costs	(32)	(18)	(32)	(18)
Finance income/(costs) , net	1,063	1,302	1,063	1,302
Profit Before Tax	**9,250**	**3,917**	**9,250**	**3,917**
Tax expense	(2,149)	(567)	(2,149)	(567)
Profit After Tax	**7,101**	**3,350**	**7,101**	**3,350**
Other comprehensive income for the financial period, net of tax:	481	(384)	481	(384)
Currency translation differences	481	(384)	481	(384)
Total comprehensive income for the financial period	**7,582**	**2,966**	**7,582**	**2,966**
Basic earnings per share (sen) [2]	**1.06**	**0.50**	**1.06**	**0.50**
Diluted earnings per share (sen) [3]	**1.06**	**0.50**	**1.06**	**0.50**

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

	As at 30 September 2026 (Unaudited)	As at 30 June 2026 (Audited)
	RM'000	RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	89,550	72,896
Right-of-use assets	1,894	1,532
Deferred tax assets	346	342
Deposits with licensed banks	984	930
	92,774	**75,700**
CURRENT ASSETS		
Inventories	52,013	45,838
Receivables, deposits and prepayments	40,442	29,797
Contract assets	677	264
Current tax receivable	5,023	1,633
Other investments	61,192	30,792
Deposits, cash and bank balances	131,554	171,482
	290,901	**279,806**
CURRENT LIABILITIES		
Payables and accrued liabilities	28,407	14,676
Current tax provision	5,990	1,891
Borrowings	81	157
Lease liabilities	870	1,177
	35,348	**17,901**
	255,553	**261,905**
NET ASSETS	**348,327**	**337,605**
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	263,757	263,757
Capital reorganisation reserves	(86,310)	(86,215)
Currency translation reserves	2,057	1,576
Retained profits	162,441	155,245
Shareholders' equity	**341,945**	**334,363**
NON-CURRENT LIABILITIES		
Borrowings	3,042	323
Lease liabilities	1,049	379
Deferred tax liabilities	2,291	2,540
	6,382	**3,242**
	348,327	**337,605**
Net assets per share (sen)(2)	**0.52**	**0.49**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 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 2026 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 number of ordinary shares as at 30 September 2026 of 671,314,791 ordinary shares (30 June 2026: 671,314,791 shares).

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

	Share capital	Capital reorganisation reserve	Currency translation reserve	Retained profits	Total
Audited	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
As at 1 July 2025	263,757	(86,215)	3,210	147,523	328,275
Total Comprehensive Income:					
- Net profit for the financial period	-	-	-	17,792	17,792
- Other comprehensive income for the financial period, net of tax	-	-	(1,634)	-	(1,634)
	-	-	(1,634)	17,792	16,158
Transaction with Owners of the Company					
Dividend paid	-	-	-	(10,070)	(10,070)
	-	-	-	(10,070)	(10,070)
As at 30 June 2026	263,757	(86,215)	1,576	155,245	334,363
Unaudited					
As at 1 July 2026	263,757	(86,215)	1,576	155,245	334,363
Total Comprehensive Income:					
- Net profit for the financial period	-	-	-	7,101	7,101
- Other comprehensive income for the financial period, net of tax	-	-	481	-	481
	-	-	481	7,101	7,582
Disposal of subsidiaries	-	(95)	-	95	-
As at 30 September 2026	263,757	(86,310)	2,057	162,441	341,945

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 2026 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2026 (1)

	CUMULATIVE QUARTER	
	Current Period-to-date	Preceding Year Corresponding Period-to-date
	30 September 2026	30 September 2025
	RM'000	RM'000
OPERATING CASH FLOWS		
Profit before taxation	9,249	3,917
Adjustments for:		
Property, plant and equipment:		
- depreciation	2,710	2,342
- gain on disposal	(116)	(5)
- written off	-	63
Amortisation of right-of-use assets	314	189
Finance income	(1,095)	(1,321)
Finance costs	32	18
Fair value gain on other investments	(384)	(266)
Unrealised foreign exchange gain/(loss)	766	(1,988)
Provision for slow moving inventories	(137)	478
	11,339	3,427
Changes in working capital:		
Inventories	(6,038)	(3,350)
Receivables	(10,647)	4,566
Contract assets	(412)	(171)
Payables	13,730	566
Cash generated from operations	7,972	5,038
Tax paid	(1,688)	(1,868)
Net operating cash flow	6,284	3,170
INVESTING CASH FLOWS		
Property, plant and equipment		
- purchases	(19,459)	(9,494)
Proceeds from disposal of property, plant, equipment	116	5
Interest received	1,024	1,306
Other investments	(29,999)	(40,000)
Additional fixed deposits pledged	-	-
Disposal of short term investment	-	50,610
Net investing cash flow	(48,318)	2,427

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

	CUMULATIVE QUARTER	
	Current Period-to-date	Preceding Year Corresponding Period-to-date
	30 September 2026	30 September 2025
	RM'000	RM'000
FINANCING CASH FLOWS		
Interest paid	(32)	(18)
Proceed from bank borrowings	2,670	
Repayments of term loans	(28)	(96)
Repayments of hire-purchase liabilities	-	-
Repayments of lease liabilities	(313)	(186)
Net financing cash flow	2,297	(300)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(39,737)	5,297
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	171,482	157,556
EFFECT OF CHANGES IN EXCHANGE RATES OF CASH AND CASH EQUIVALENTS	(191)	1,603
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	131,554	164,456

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 2026 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 FIRST QUARTER ENDED 30 SEPTEMBER 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 2026 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 2026, except for the adoption of the following standards which are effective for annual periods beginning on and after 1 July 2026.

(i) Financial year beginning on or after 1 July 2026:

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 FIRST QUARTER ENDED 30 SEPTEMBER 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 2026.

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 2026.

A6. Material Changes in Estimates

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

A8. Dividend Paid

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

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 September 2026	30 September 2025	30 September 2026	30 September 2025
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers:				
- Sales of goods	39,675	22,502	39,675	22,502
- Rendering of services	4,203	2,932	4,203	2,932
	43,878	25,434	43,878	25,434
Revenue from contracts with customers by geographical locations:				
- Singapore	20,688	9,175	20,688	9,175
- United States of America	13,960	10,715	13,960	10,715
- Malaysia	8,289	4,103	8,289	4,103
- Japan	557	350	557	350
- Italy	-	435	-	435
- Thailand	53	55	53	55
- Germany	231	86	231	86
- Switzerland	60	37	60	37
- China	3	3	3	3
- Romania	1	2	1	2
- Taiwan	36	7	36	7
- Ireland	-	466	-	466
	43,878	25,434	43,878	25,434

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 September 2026	30 September 2025	30 September 2026	30 September 2025
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers by industry segments:				
- Semiconductor	32,208	13,072	32,208	13,072
- Life science and medical devices	3,347	5,781	3,347	5,781
- Sport equipment	5,015	3,893	5,015	3,893
- Aerospace	1,463	859	1,463	859
- Sensor equipment	1,146	795	1,146	795
- Automotive	33	471	33	471
- Instrumentation	27	24	27	24
- Opto-mechanical	476	175	476	175
- Security	163	321	163	321
- Other	-	43	-	43
	43,878	25,434	43,878	25,434

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 September 2026 RM'000	Audited 30 June 2026 RM'000
Property, plant and equipment:		
Malaysia	89,452	72,801
Singapore	98	95
	89,550	72,896
Right-of-use assets:		
Malaysia	1,575	1,217
Singapore	319	315
	1,894	1,532
	91,444	74,428

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 2026.

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 September 2026.

A13. Capital Commitments

	Unaudited	Audited
	30 September 2026	30 June 2026
	RM'000	RM'000
Description :		
Approved but not contracted for	-	-
Contracted but not provided for	61,289	24,946
Total	61,289	24,946

As at 30 September 2026, the Group had capital commitments amounting to RM61.29 million, primarily relating to the acquisition of Computer Numerical Control, a solar system and other fixed assets. These investments form part of the Group's ongoing efforts to expand its production capacity and enhance operational efficiency to meet increasing demand, particularly from the semiconductor industry. The acquisition of these CNC machines is expected to further strengthen the Group's manufacturing capabilities and support its future business growth.

For clarity, the above capital commitments do not include the acquisition of the industrial building known as Plant 8, for which the Group had entered into a Sale and Purchase Agreement ("SPA") on 27 October 2026, as announced on the same date. Accordingly, the acquisition of Plant 8 was not reflected in the capital commitments as at 30 September 2026.

A14. Significant Related Party Transactions

There were no related party transactions for the current period ended 30 September 2026.

A15. Derivatives

There were no derivatives used in the current period ended 30 September 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 September 2026 ("Q1 FY2027")

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Period Quarter	Preceding Year Corresponding Quarter		Current Period-to-date	Preceding Year Corresponding Period-to-date	
	30 September 2026	30 September 2025		30 September 2026	30 September 2025	
	Unaudited	Unaudited	Changes	Unaudited	Unaudited	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	43,878	25,434	73%	43,878	25,434	73%
Gross Profit	12,015	4,323	178%	12,015	4,323	178%
Profit before tax ("PBT")	9,250	3,917	136%	9,250	3,917	136%

The Group recorded total revenue of approximately RM43.88 million in Q1 FY2027, mainly derived from the Semiconductor industry, which contributed RM32.21 million or 73.40% to the total revenue, followed by the Sport equipment industry of RM5.01 million or 11.42% and Life science and medical devices industry of RM3.35 million or 7.63% and Aerospace industry of RM1.46 million or 3.33% and Sensor equipment industry of RM1.15 or 2.62% and others industry RM0.70 million or 1.60%.

In Q1 FY 2027, the Group registered gross profit of RM12.02 million with gross profit margin of 27.39%, profit before tax of RM9.25 million and net profit after tax of RM7.10 million with a net profit after tax margin of 16.18%.

The Group recorded improvements in revenue, gross profit and PBT for the current quarter as compared to the corresponding quarter in FY2026. The improved performance was mainly attributable to strong demand from semiconductor customers. In comparison, the corresponding quarter in FY2026 was affected by lower production activities as the Group was focusing on the development of new products for both new and existing customers. These development activities had resulted in lower production output and contributed to the lower revenue and gross profit recorded in FY2026 Q1, resulting in a stronger year-on-year performance in the current quarter.

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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 September 2026	30 June 2026	
	Unaudited	Audited	
	RM'000	RM'000	%
Revenue	43,878	35,948	22%
Gross Profit	12,015	10,745	12%
Profit before tax ("PBT")	9,250	9,738	(5%)

The Group registered revenue of RM43.88 million and gross profit RM12.02 million in current quarter compared with the revenue of RM35.95 million and gross profit RM10.75 million in immediate preceding quarter, representing an increase of RM7.93 million or 22% in revenue and an increase of RM1.27 or 12% in gross profit.

The Group registered PBT of RM9.25 million in current quarter compared with PBT of RM9.74 million in immediate preceding quarter, representing a decrease of RM0.49 million or 5% in PBT.

For the first quarter of the financial year 2027 ("Q1 FY2027"), the Group recorded increases in revenue and gross profit of 22% and 12%, respectively, compared with the fourth quarter of FY2026 ("Q4 FY2026").

Despite the improved revenue and gross profit performance, the Group's PBT decreased by 5% compared with the preceding quarter (FY2026 Q4). This was primarily attributable to higher staff costs arising from a 18% increase in employee headcount. The additional manpower was required to support the expansion of the Group's production capacity and to fulfil the higher volume of sales orders. In addition, the Group incurred certain initial costs in connection with the expansion of its production capacity, which further contributed to the increase in operating expenses during the 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

The Board remains cautiously optimistic about the Group's prospects for the financial year ending 30 June 2027 ("FY2027"), supported by a strengthening order book, ongoing capacity expansion and continued demand for precision engineering components used in semiconductor manufacturing equipment.

The global semiconductor industry is expected to remain on a long-term growth trajectory, supported by structural demand drivers including artificial intelligence ("AI"), high-performance computing, advanced memory, automotive electronics, industrial automation and increasing digitalisation across various industries. According to McKinsey's October 2026 industry analysis, the global semiconductor market could reach approximately US$2.3 trillion by 2030 under its base-case scenario, with semiconductor wafer volumes projected to grow at an annual rate of approximately 7% over the same period. In addition, SEMI's October 2026 forecast projects global 300mm front-end semiconductor fabrication equipment spending to reach US$149 billion in 2026 and increase to US$227 billion by 2029, reflecting continued investment in new fabrication facilities and expansion of existing manufacturing capacity. Although the semiconductor industry remains cyclical and investment levels may fluctuate from year to year, these longer-term trends provide a supportive outlook for companies serving the semiconductor manufacturing equipment supply chain.

As at the date of this report, the Group's order book has grown to more than RM180 million, reflecting encouraging demand from its customers. Approximately 90% of the order book is attributable to the semiconductor segment, while the medical device and other industrial segments account for approximately 5% each. The significant contribution from the semiconductor segment reflects the Group's exposure to demand for precision-engineered components used in semiconductor manufacturing equipment. The Group will continue to focus on order fulfilment, production efficiency, quality assurance and timely delivery to meet customer requirements. While the order book provides visibility over near-term business activity, the timing of revenue recognition will depend on production schedules and delivery requirements.

To support the anticipated increase in demand, the Group is progressing with its capacity expansion programme. The renovation of Plant 7, as disclosed in the previous quarterly report, is nearing completion. Production is expected to commence progressively from November 2026, in line with the delivery of each batch of new CNC machines. This phased approach is intended to align the commissioning of additional production capacity with equipment availability and operational requirements.

Following the signing of the Sale and Purchase Agreement ("SPA") and the announcement of the acquisition, Plant 8 will provide additional manufacturing space to support the Group's future expansion. Possession of the property is expected to be handed over to the Group on 1 January 2027, with operations expected to commence progressively in the fourth quarter of FY2027.

In view of the strong customer orders and increasing visibility of future demand, management is planning a further round of machinery investment, comprising close to 100 CNC machines for installation on the ground floor of Plant 8. This expansion is expected to significantly enhance the Group's machining capacity to support its growing semiconductor-related business. The upper floor of Plant 8 will be reserved for future expansion, including the potential development of a larger cleanroom to accommodate sub-assembly activities. The Group will continue to implement its expansion plans in a phased and prudent manner, taking into consideration customer demand, operational requirements and expected returns on investment.

In parallel, the Group continues to explore opportunities to strengthen its manufacturing capabilities and enhance its service offerings for higher-value semiconductor equipment applications, including advanced cleaning and surface treatment capabilities. Any such initiatives will be subject to the relevant commercial arrangements, implementation requirements and the Group's assessment of their long-term business potential.

The Group's medical device and other industrial-related businesses are expected to continue contributing to its overall performance. However, sales from these segments may moderate slightly over the coming years as the Group prioritises the allocation of its manufacturing capacity to support increasing demand from the semiconductor segment. This strategic allocation of resources is intended to optimise the utilisation of the Group's production facilities and capture growth opportunities in the semiconductor industry, while continuing to serve customers in the other segments where practicable.

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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

Nevertheless, the Group remains mindful of potential uncertainties, including changes in global economic conditions, semiconductor industry investment cycles, customer demand, operating costs and the timing and costs associated with capacity expansion.

Moving forward, the Group will prioritise the effective utilisation of its expanded production capacity, operational efficiency, product quality, delivery performance and prudent financial management. The Board believes that the Group is well positioned to pursue its growth opportunities and will continue to monitor market developments closely while maintaining a disciplined approach to business expansion.

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 2026	30 September 2025	30 September 2026	30 September 2025
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Deferred tax	(133)	-	(133)	-
Current tax expenses				
- Current year	2,036	476	2,036	476
- Prior year	246	91	246	91
	2,149	567	2,149	567
Effective tax rate (%)	22.01	12.15	22.01	12.15
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 and announced by the Company, 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	18,987	13,895	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	71,143	5,971	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	10,000	15,591	Within 60 months
Total		179,577	-	179,577	144,120	35,457	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.

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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 2026 RM'000	Audited 30 June 2026 RM'000
Interest-bearing bank borrowings		
Non - current		
Term loans	3,042	323
Current		
Term loans	81	157
Currency Denominated In		
Ringgit Malaysia ("MYR")	3,123	480
Singapore Dollars ("SGD")	-	-
	3,123	480
Lease Liabilities		
Non - current	1,049	379
Current	870	1,177
	1,919	1,556

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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 September 2026	30 September 2025
	RM'000	RM'000
Operating profit is arrived at after charging/(crediting):		
Interest Income	(1,095)	(1,321)
Interest expense	32	18
Depreciation of property, plant and equipment	2,710	2,342
Amortisation of right-of-use assets	314	189
Fair value gain on other investments	(384)	(266)
(Gain) / Loss on foreign exchange :		
- Realised	189	1,650
- Unrealised	(766)	(1,988)
Additional allowance for slow moving and obsolete inventories	137	478
Upkeep, repair and maintenance	1,102	952

B9. Material Litigation

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

B10. Dividend

The Board does not recommend any dividend for the current period ended 30 September 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 September 2026	30 September 2025	30 September 2026	30 September 2025
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Profit attributable to the owners of the Company	7,101	3,350	7,101	3,350
Weighted average number of ordinary shares in issue (basic) (unit)	671,315	671,315	671,315	671,315
Basic EPS (sen) [(1)]	1.06	0.50	1.06	0.50
Diluted EPS (sen) [(2)]	1.06	0.50	1.06	0.50

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 10 November 2026.

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