

Registration No. 200401008621 (647125-P) (Incorporated in Malaysia)

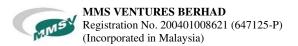
Quarterly Report on Consolidated Results For The Third Quarter Ended 30 September 2023



Condensed Consolidated Statement of Financial Position As at 30 September 2023

	Note	30.9.2023 (Unaudited) RM	31.12.2022 (Audited) RM
ASSETS			
Non-current assets			
Property, plant and equipment		5,431,243	5,798,860
Right-of-use asset	-	2,937,575	2,994,188
	-	8,368,818	8,793,048
Current assets			
Inventories		14,544,726	12,544,823
Other investments	B8	10,953,260	9,486,148
Trade receivables		2,159,892	7,342,475
Sundry receivables, deposits and prepayments		55,796	174,469
Current tax asset		244,903	86,594
Short term funds		22,320,025	21,802,159
Cash and cash equivalents	-	14,322,945	17,845,375
	-	64,601,547	69,282,043
TOTAL ASSETS		72,970,365	78,075,091
EQUITY AND LIABILITIES Equity attributable to shareholders of the Company			
Share capital		24,162,270	24,008,395
Share options reserve		1,734,861	1,407,723
Treasury shares		(6,719,124)	(6,492,515)
Retained profits	-	47,279,409	53,252,547
	-	66,457,416	72,176,150
Non-current liability Deferred tax liabilities		394,524	1 016 920
Deterred tax habilities	-	394,324	1,016,820
Current liabilities			
Trade payables		2,615,966	2,632,847
Sundry payables and accruals		1,512,958	2,138,874
Contract liability		-	110,400
Dividend payable	-	1,989,501	
	-	6,118,425	4,882,121
Total liabilities	-	6,512,949	5,898,941
TOTAL EQUITY AND LIABILITIES	-	72,970,365	78,075,091
Net assets per share (RM)		0.33	0.36

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Third Quarter Ended 30 September 2023 (The figures have not been audited)

		Individual Quarter 3 months ended		Cumulative Quarter 9 months ended		
	Note	30.9.2023 RM	30.9.2022 RM	30.9.2023 RM	30.9.2022 RM	
Revenue		2,598,685	10,620,298	10,596,447	46,237,223	
Cost of sales		(3,635,573)	(7,762,499)	(11,627,003)	(29,488,679)	
Gross (loss)/profit		(1,036,888)	2,857,799	(1,030,556)	16,748,544	
Other operating income/ (expense)		53,094	(300,151)	2,424,216	(3,160,781)	
Administrative expenses		(1,343,693)	(1,362,038)	(3,952,446)	(4,377,894)	
(Loss)/Profit before tax	_	(2,327,487)	1,195,610	(2,558,786)	9,209,869	
Tax income/(expense)	B6	219,515	(102,521)	566,124	(629,726)	
Net (loss)/profit for the period	B1	(2,107,972)	1,093,089	(1,992,662)	8,580,143	
Attributable to: Shareholders of the Company Minority interests Net (loss)/profit for the period	-	(2,107,972) (2,107,972)	1,093,089	(1,992,662)	8,580,143 	
(Loss)/Earnings per share (i) Basic (sen)	B14	(1.06)	0.55	(1.00)	4.31	
(ii) Diluted (sen)	_	(1.06)	0.54	(1.00)	4.26	

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.



Condensed Consolidated Statement of Changes in Equity For the Third Quarter Ended 30 September 2023 (The figures have not been audited)

		Non-distributab	Distributable		
	Share Capital RM	Share Options Reserve RM	Treasury Shares RM	Retained Profits RM	Total RM
At 1 January 2023	24,008,395	1,407,723	(6,492,515)	53,252,547	72,176,150
Transactions with owners					
Purchase of treasury shares	-	-	(226,609)	-	(226,609)
Share options vested under ESOS	-	373,068	-	-	373,068
Ordinary shares issued pursuant to exercise of ESOS	153,875	(45,930)	_	_	107,945
Dividend	-	-	-	(3,980,476)	(3,980,476)
	153,875	327,138	(226,609)	(3,980,476)	(3,726,072)
Net loss for the period	-	-	-	(1,992,662)	(1,992,662)
At 30 September 2023					
-	24,162,270	1,734,861	(6,719,124)	47,279,409	66,457,416
At 1 January 2022	23,337,102	786,908	(6,009,182)	48,187,066	66,301,894
Transactions with owners					
Purchase of treasury shares	-	-	(483,333)	-	(483,333)
Share options vested under ESOS Ordinary shares issued pursuant	-	704,703	-	-	704,703
to exercise of ESOS Dividend	610,439	(185,609)	-	-	424,830
Diridend	-	-	-	(3,981,623)	(3,981,623)
	610,439	519,094	(483,333)	(3,981,623)	(3,335,423)
Net profit for the period	-	-	-	8,580,143	8,580,143
At 30 September 2022	23,947,541	1,306,002	(6,492,515)	52,785,586	71,546,614

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.



Condensed Consolidated Statement of Cash Flows For the Third Quarter Ended 30 September 2023 (The figures have not been audited)

	9 months ended 30 September		
	2023	2022	
	RM	RM	
Cash flows from operating activities			
(Loss)/Profit before tax	(2,558,786)	9,209,869	
		- , ,	
Adjustments for:			
Depreciation of property, plant and equipment	431,239	422,902	
Depreciation of right-of-use asset	56,613	56,613	
Loss/(Gain) on disposal of property, plant and equipment	1,169	(45,000)	
(Gain)/Loss on fair value adjustment of other investments	(877,511)	4,401,096	
Dividend income	(37,046)	(201,247)	
Income distribution on short term funds	(178,306)	(17,314)	
Interest income	(264,053)	(56,527)	
Impairment loss on trade receivables	-	40,000	
Share options vested under ESOS	373,068	704,703	
Written down of inventories	-	202,335	
Written off of property, plant and equipment	-	2,982	
Unrealised foreign exchange gain	(42,185)	(196,439)	
Operating (loss)/profit before working capital changes	(3,095,798)	14,523,973	
Changes in working capital.	(1 000 003)	1 007 011	
Inventories	(1,999,903)	1,096,911	
Trade receivables	5,186,082	(6,305,303)	
Sundry receivables, deposits and prepayments	118,673	1,592,613	
Trade payables	(9,047)	(3,699,224)	
Sundry payables and accruals	(625,916)	84,369	
Contract liability	(110,400)	2,185,671	
Cash (used in)/generated from operations	(536,309)	9,479,010	
Income tax paid	(214,481)	(661,825)	
Net cash (used in)/from operating activities	(750,790)	8,817,185	
Coch flows from investing activities			
Cash flows from investing activities	27 046	26 622	
Dividend received	37,046	36,622	
Interest received	264,053	56,527	
Income distribution on short term funds	178,306	17,314	
Purchase of property, plant and equipment	(64,891)	(593,146)	
Net purchase of other investments	(589,601)	(759,181)	
Proceeds from disposal of property, plant and equipment	100	45,000	
Net cash used in investing activities	(174,987)	(1,196,864)	
Cash flows from financing activities			
Fixed deposits pledged to a licensed bank	(11,380)	(8,254)	
Purchase of treasury shares	(226,609)	(483,333)	
Proceeds from issuance of ordinary shares pursuant to exercise	(220,007)	(103,333)	
of ESOS	107,945	424,830	
Dividend paid	(1,990,975)	(1,991,850)	
•	(1,990,975) (2,121,019)	(2,058,607)	
Net cash used in financing activities	(2,121,019)	(2,038,007)	



Condensed Consolidated Statement of Cash Flows For the Third Quarter Ended 30 September 2023 (Cont'd) (The figures have not been audited)

	9 months ended 30 September		
	2023	2022	
	RM	RM	
Net (decrease)/increase in cash and cash equivalents	(3,046,796)	5,561,714	
Effect of exchange differences in cash and cash equivalents	30,852	107,057	
Cash and cash equivalents at beginning of period	38,944,126	29,673,565	
Cash and cash equivalents at end of period	35,928,182	35,342,336	
Cash and cash equivalents at end of period comprises:			
Cash and bank balances	4,816,832	6,058,219	
Deposits with licensed banks	9,506,113	14,688,129	
Short term funds	22,320,025	15,295,783	
	36,642,970	36,042,131	
Less: Fixed deposits pledged to a licensed bank	(714,788)	(696,795)	
	35,928,182	35,342,336	

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.



Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standards ("MFRS") 134

A1. Basis of preparation

These interim financial statements are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting in Malaysia and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the Main Market.

These interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022. These explanatory notes attached to the interim financial statements provide an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

A2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the latest audited financial statements, except for the adoption of the following new and revised MFRSs, Amendments to MFRSs and IC interpretations.

New and revised MFRSs, Amendments to MFRSs and IC interpretations adopted during the financial period

Title	Effective date
MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17 Insurance Contracts - Initial Application of	1 January 2023
MFRS 17 and 9 - Comparative Information	
Amendments to MFRS 112 Income Taxes - Deferred Tax related to	1 January 2023
Assets and Liabilities arising from a Single Transaction	

The adoption of the above accounting standards and interpretations have no impact on the financial statements of the Group upon their initial application.

A3. Auditors' report of preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2022 was not qualified.

A4. Seasonal or cyclical factors

The Group's interim operations are not affected by seasonal or cyclical factors during the current quarter under review.

A5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.



A6. Changes in estimates

There were no changes in estimates that have had material effect in the current quarter under review.

A7. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review, except for the following:

1) ESOS

There was issuance of 3,000 ordinary shares at RM0.392 exercised by the eligible employees pursuant to the Employees' Share Option Scheme ("ESOS") during the current quarter ended 30 September 2023.

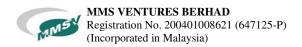
2) Treasury shares

Number of treasury shares held as at 30 September 2023 were as follows:

Balance as at 1 January 2023	7,953,475
Add: Purchase of treasury shares	400,000
Balance as at 30 September 2023	8,353,475

A8. Dividend paid

The first interim single tier dividend of 1 sen per ordinary share for the financial year ending 31 December 2023 totaling RM1,990,975 was paid on 10 October 2023.



A9. Segment reporting

The Group's revenue was primarily attributed to the manufacture of automated systems and machinery segment.

Information about geographical areas

	Revenue from external customers by location of customers RM	Non-current assets by location of assets RM	Capital expenditure by location of assets RM
3 months ended 30 September 2023	1 054 572	0 260 010	4 (50
Malaysia America	1,954,573 66,556	8,368,818	4,650
Asia (excludes Malaysia)	396,435	-	-
Australia	147,635	•	-
Europe	33,486	_	-
Consolidated	2,598,685	8,368,818	4,650
3 months ended 30 September 2022			
Malaysia	4,802,429	8,955,860	184,711
America	2,376,543	-	-
Asia (excludes Malaysia)	522,060	-	-
Australia	162,422	-	-
Europe	2,756,844	-	-
Consolidated	10,620,298	8,955,860	184,711
9 months ended 30 September 2023			
Malaysia	4,342,405	8,368,818	64,891
America	2,634,196	-	-
Asia (exclude Malaysia)	3,302,493	-	-
Australia	171,354	-	-
Europe	145,999	-	-
Consolidated	10,596,447	8,368,818	64,891
9 months ended 30 September 2022			
Malaysia	31,450,751	8,955,860	593,146
America	6,355,849	-	-
Asia (exclude Malaysia)	4,554,529	-	-
Australia	211,829	-	-
Europe	3,664,265	-	-
Consolidated	46,237,223	8,955,860	593,146

A10. Post balance sheet events

There were no material events after the current quarter under review that require disclosure or adjustment to the unaudited condensed interim financial statements.



A11. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current quarter under review.

A12. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at 30 September 2023 and up to the date of this report.

A13. Capital commitments

There were no capital commitments as at 30 September 2023.

A14. Related party transactions

	Individua	l Quarter	Cumulative Quarter	
	3 month	Is ended	9 months ended	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	RM	RM	RM	RM
Micro Carbide Engineering Sendirian Berhad - Precision tooling charges - Rental income received	- 157,362	150,520	- 462,963	580 425,106

All related party transactions had been entered into in the ordinary course of business and transacted on a negotiated basis.



PART B - Explanatory notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the Main Market

B1. Review of performance

•	l	— Quarter ended———		→	← Pe	eriod-to-date	→	
	30.9.2023	30.6.2023	Var	30.9.2022	Var	30.9.2023	30.9.2022	Var
	RM	RM	%	RM	%	RM	RM	%
D	2 500 605					10 50 6 4 4 5		
Revenue	2,598,685	2,919,875	-11	10,620,298	-76	10,596,447	46,237,223	-77
Cost of sales	(3,635,573)	(3,245,300)	-12	(7,762,499)	53	(11,627,003)	(29,488,679)	61
Gross (loss)/profit	(1,036,888)	(324,425)	-220	2,857,799	-136	(1,030,556)	16,748,544	-106
Other operating income/(expense)	53.094	1,077,323	-95	(300,151)	118	2.424.216	(3,160,781)	177
Administrative	55,071	1,077,525	25	(500,151)	110	2,121,210	(3,100,701)	177
expenses	(1,343,693)	(1,314,167)		(1,362,038)		(3,952,446)	(4,377,894)	10
(Loss)/Profit before								
tax	(2,327,487)	(562,269)	-314	1,195,610	-295	(2,558,786)	9,209,869	-128
Tax income								
/(expense)	219,515	269,704		(102,521)		566,124	(629,726)	
Net (loss)/profit for								
the period	(2,107,972)	(292,565)		1,093,089		(1,992,662)	8,580,143	

Comparison with the corresponding period in the previous year

The Group recorded a revenue of RM2.599 million for the current quarter, a decrease of 76% as compared to RM10.620 million of the corresponding quarter in the previous year due to low demand for machines from our customers.

The low volume of revenue while certain operational costs remain fixed has resulted into operational loss for the current quarter.

Other operating income in the current quarter was mainly attributed to the gain on fair value adjustment of other investments as compared to the corresponding quarter in the previous year.

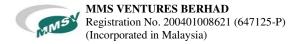
Financial period-to-date against preceding year corresponding financial period

The Group recorded a revenue of RM10.596 million for the period-to-date, a decrease of 77% as compared to RM46.237 million reported in the previous financial period due to low demand for machines from our customers.

The low volume of revenue for the first half year while certain operational costs remain fixed has impacted our overall operational margin.

Other operating income in the current period was attributed to the gain on fair value adjustment of other investments.

Decrease in administrative expenses was attributed to the decrease in provision for salary related costs for the period.



B2. Variation of results against preceding quarter

Revenue for the current quarter of RM2.599 million recorded a 11% decrease compared with the preceding quarter, mainly due to low demand for machines from our customers.

The low volume of revenue while certain operational costs remain fixed has resulted into operational loss for the current quarter.

Other operating income in the current quarter was mainly attributed to the gain on fair value adjustment of other investments.

B3. Current year prospects

The prolonged global economic slowdown continued to weigh on the outlook of the Semiconductor industry. Amidst all the news on a positive recovery we expect a challenging operating environment for the rest of the year which will see our results in the negative.

B4. Board of Directors' opinion on revenue / profit estimate / forecast / projection / internal targets

Not applicable as the Group did not announce or disclose in any public document any revenue or profit estimate, forecast, projection or internal targets.

B5. Profit forecast

Not applicable as the Group did not announce or disclose in a public document any profit forecast or profit guarantee.

B6. Breakdown of tax charge and explanation of variance between the effective and statutory tax rate for the current year quarter and the preceding year quarter

Reconciliation of effective tax (income)/expense:

	Individual Quarter		Cumulativ	ve Quarter
	3 month	is ended	9 month	ns ended
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	RM	RM	RM	RM
(Loss)/Profit before tax	(2,327,487)	1,195,610	(2,558,786)	9,209,869
Taxation at Malaysian statutory tax rate of				
24% (2022: 24%)	(558,597)	286,945	(614,108)	2,210,368
Non-deductible expenses	70,880	308,941	263,071	1,366,230
Non-taxable income	59,120	(59,241)	(322,071)	(151,340)
Pioneer income	55,604	(440,199)	(36,432)	(2,809,538)
Crystallisation of deferred tax liability	(2,548)	(2,548)	(7,644)	(7,644)
(Over)/Underprovision of deferred tax				
liability in prior years	-	7,570	(4,966)	7,570
Underprovision of prior year tax	9,233	-	9,233	-
Reversal of unrecognised deferred tax assets	146,793	1,053	146,793	14,080
Tax (income)/expense	(219,515)	102,521	(566,124)	629,726



B7. Unquoted investments and properties

There were no sales of unquoted investments and/or properties for the current quarter under review.

B8. Quoted investments

A summary of the movement of quoted investments during the period ended 30 September 2023 is as follows:

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	RM
Balance as at 1 January 2023	9,486,148
Net purchases	589,601
Gain on fair value adjustments	877,511
Balance as at 30 September 2023	10,953,260

B9. Status of corporate proposal announced

There is no corporate proposal announced but not completed as at the date of this report.

B10. Group's borrowings and debt securities

There are no borrowings and debt securities as at the date of this report.

B11. Off balance sheet financial instruments

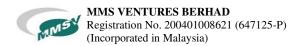
There are no off balance sheet financial instruments as at the date of this report.

B12. Material litigation

There are no material litigations pending as at the date of this report.

B13. Dividend declared

No dividend was declared by the Company for the current quarter under review.



B14. Earnings per share ("EPS")

a) <u>Basic EPS</u>

Basic EPS is calculated by dividing the net (loss)/profit after tax and minority interests for the period by weighted average number of ordinary shares in issue during the period.

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	RM	RM	RM	RM
Net (loss)/profit after tax and minority interests (RM) Weighted average number of	(2,107,972)	1,093,089	(1,992,662)	8,580,143
ordinary shares in issue	199,030,146	198,987,027	199,030,146	198,987,027
Basic (loss)/earnings per share (sen)	(1.06)	0.55	(1.00)	4.31

b) **Diluted EPS**

Diluted EPS is calculated by dividing the net (loss)/profit after tax and minority interests for the period by weighted average number of ordinary shares in issue during the period after adjusting for the dilutive effects of the employees' share options exercised.

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30.9.2023 RM	30.9.2022 RM	30.9.2023 RM	30.9.2022 RM
Net (loss)/profit after tax and minority interests (RM)	(2,107,972)	1,093,089	(1,992,662)	8,580,143
Effect of share options exercised - ESOS	459,950	2,481,250	459,950	2,481,250
Weighted average number of ordinary shares in issue				
(diluted) Basic (loss)/earnings	199,490,096	201,468,277	199,490,096	201,468,277
per share (sen)	(1.06)	0.54	(1.00)	4.26



B15. (Loss)/Profit before tax

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	RM	RM	RM	RM
Depreciation of property, plant and				
equipment	131,802	147,921	431,239	422,902
Depreciation of right-of-use asset (Gain)/ Loss on disposal of	18,871	18,871	56,613	56,613
property, plant and equipment	-	-	1,169	(45,000)
(Gain)/Loss on fair value adjustment of other investments	374,820	1,030,003	(877,511)	4,401,096
Foreign exchange (gain)/loss		_,,	(===;===;	.,,
- realised	3,972	(159,752)	(188,505)	(90,435)
- unrealised	7,261	(135,540)	(42,185)	(196,439)
Impairment loss on trade receivables	-	-	-	40,000
Share options vested under ESOS	124,356	307,701	373,068	704,703
Written down of inventories	-	32,339	-	202,335
Written off of property, plant and equipment	-	2,982	-	2,982
Dividend income	(17,700)	(172,373)	(37,046)	(201,247)
Income distribution on short term				
funds	(47,113)	(4,802)	(178,306)	(17,314)
Interest income	(78,408)	(33,915)	(264,053)	(56,527)
Rental income	(157,362)	(150,520)	(462,963)	(425,106)

B16. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 17 November 2023.