

# **JF Technology Berhad**

(Registration No. 200601027925 (747681-H))

(Incorporated in Malaysia)



*We Bring Possibilities*

## **INTERIM FINANCIAL REPORT FOR FIRST QUARTER ENDED 30 SEPTEMBER 2020**

# JF Technology Berhad

(Registration No. 200601027925 (747681-H))  
(Incorporated in Malaysia)



## Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the 1st financial quarter ended 30 September 2020

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year 1st Quarter 01/07/2020 to 30/09/2020 RM'000	Preceding Year Corresponding Quarter RM'000	Current Year To-date 01/07/2020 to 30/09/2020 RM'000	Preceding Year Corresponding Period RM'000
Revenue	9,142	6,439	9,142	6,439
Cost of sales	(2,019)	(1,503)	(2,019)	(1,503)
Gross profit	7,123	4,936	7,123	4,936
Other operating income	140	100	140	100
Operating expenses	(3,309)	(3,182)	(3,309)	(3,182)
Profit from operations	3,954	1,854	3,954	1,854
Finance cost	(26)	(11)	(26)	(11)
Interest Income	119	65	119	65
<b>Profit before taxation</b>	<b>4,047</b>	<b>1,908</b>	<b>4,047</b>	<b>1,908</b>
Tax Expense	(40)	(99)	(40)	(99)
Profit for the period	4,007	1,809	4,007	1,809
Other comprehensive income	-	-	-	-
Total comprehensive profit for the period	<b>4,007</b>	<b>1,809</b>	<b>4,007</b>	<b>1,809</b>
Attributable to:				
Owners of the company	4,007	1,809	4,007	1,809
Minority interests	-	-	-	-
	<b>4,007</b>	<b>1,809</b>	<b>4,007</b>	<b>1,809</b>
<b>Earnings Per Share (EPS)</b>				
- Basic (Sen)	1.80	0.86	1.80	0.86

### Notes:

This Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Annual Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to this interim financial statements.

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## Unaudited Condensed Consolidated Statement of Financial Position As at 30 September 2020

	(Unaudited) As at 30/09/2020 RM'000	(Audited) As at 30/06/2020 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	14,987	15,161
Rights to use assets	6,009	6,126
	20,996	21,287
<b>Current assets</b>		
Inventories	3,159	3,152
Trade receivables	7,307	6,047
Other receivables, deposits and prepayments	505	420
Current tax assets	201	201
Fixed deposit with a licensed bank	230	229
Cash and cash equivalents	64,939	13,768
	76,341	23,817
<b>TOTAL ASSETS</b>	<b>97,337</b>	<b>45,104</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the company</b>		
Share capital	71,176	21,253
Retained Earnings	17,635	17,014
<b>Total equity</b>	<b>88,811</b>	<b>38,267</b>
<b>Non-current liabilities</b>		
Term Loan	1,763	-
Lease liabilities	1,222	1,112
Deferred Income	1,384	1,434
Deferred tax liabilities	915	915
	5,284	3,461
<b>Current liabilities</b>		
Trade payables	177	233
Other payables and accruals	1,808	2,311
Lease liabilities	803	630
Term loan	454	202
Current tax liabilities		
<b>Total current liabilities</b>	<b>3,242</b>	<b>3,376</b>
<b>Total liabilities</b>	<b>8,526</b>	<b>6,837</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>97,337</b>	<b>45,104</b>
	-	-
<b>Net assets per share (RM)</b>	<b>0.3982</b>	<b>0.1822</b>

### Notes:

This Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Statement for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 1st financial quarter ended 30 September 2020

	Share Capital RM'000	Non Distributable Share Premium RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000
Balance as at 01 July 2018	21,000	253	7,030	28,283
Profit after taxation for the financial period	-	-	1,809	1,809
Balance as at 30 September 2019	<b>21,000</b>	<b>253</b>	<b>8,839</b>	<b>30,092</b>

Balance as at 01 July 2020	21,253	-	17,014	38,267
Issuance of shares under private placement	50,400			50,400
Share issuance expenses from private placement	(477)			(477)
Profit after taxation for the financial period	-	-	4,007	4,007
Dividend paid during the financial period			(3,386)	(3,386)
Balance as at 30 September 2020	<b>71,176</b>	<b>-</b>	<b>17,635</b>	<b>88,811</b>

### Notes:

This Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Annual Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to this interim financial statements.

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## Unaudited Condensed Consolidated Statement of Cash Flows For the 1st financial quarter ended 30 September 2020

	(Unaudited) As at 30/09/2020 RM'000	(Audited) As at 30/06/2020 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,047	8,058
Adjustments for :		
Depreciation of property, plant and equipment	283	1,110
Depreciation of right-of-use assets	115	356
Interest expense	26	62
Inventories written off	-	29
Amortisation of deferred income	(51)	(203)
Gain on disposal of property, plant and equipment	-	(22)
Gain on disposal of right-of-use asset	-	(62)
Loss on disposal of property, plant and equipment	8	
Interest income from short-term funds	(119)	(220)
Unrealised gain on foreign exchange	-	(83)
Unrealised loss on foreign exchange	136	-
Operating profit before working capital changes	4,445	9,025
Changes in working capital:		
Decrease/(Increase) in inventories	(9)	(755)
Decrease/(Increase) in receivables	(1,345)	3,604
(Decrease) / Increase in payables	(543)	(6,994)
Cash generated from/(used in) operating activities	2,548	4,880
Income tax refund/(paid)	(40)	(177)
Net cash generated from/ (used in) operating activities	2,508	4,703
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	119	220
Increase in pledged deposit with a licensed bank	(1)	(6)
Purchase of property, plant and equipment	-	(422)
Purchase of right-of-use assets	(118)	(175)
Proceeds from disposal of property, plant and equipment	3	24
Proceeds from disposal of right-of-use assets	-	95
Net cash from/ (used in) investing activities	3	(264)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid on term loan	-	(62)
Interest paid on lease liabilities	(26)	-
Additional hire-purchase loan	476	-
Repayment of lease liabilities	(193)	(439)
Repayment of term loan	-	(704)
Drawdown of term loan	2,000	-
Proceeds from issuance of ordinary shares	49,923	-
Dividends paid	(3,384)	(1,050)
Net cash (used in)/ from financing activities	48,796	(2,255)
Net (decrease)/ increase in cash and cash equivalents	51,307	2,184
Cash and cash equivalents at beginning of period	13,768	11,526
Effects of exchange rate changes	(136)	58
Cash and cash equivalents at end of period	<b>64,939</b>	<b>13,768</b>
<b>Cash and cash equivalents consist of:</b>		
Money market unit trust fund in Malaysia	51,817	9,009
Cash and bank balances	12,892	4,530
Fixed deposits pledged to licensed banks	230	229
	<b>64,939</b>	<b>13,768</b>

This Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Statement for the year ended 30 June 2020 and the explanatory notes attached to the interim financial statements.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2020.**

**PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (" MFRS 134") : INTERIM FINANCIAL REPORTING.**

**A1 Basis of Preparation**

The unaudited interim financial statements have been prepared in accordance with MFRS 134 : Interim Financial Reporting issued by Malaysian Accounting Standards Board ("MASB") and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2020.

**A2 Summary of Significant Accounting Policies**

The significant accounting policies and methods of computation adopted are consistent with those of the audited financial statements for the year ended 30 June 2020, except for the adoption of the following new MFRSs, Amendments to MFRSs and Interpretations which are effective for annual periods beginning on or after 1 January 2020 :

	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3 : Definition of a Business	1 January 2020
Amendments to MFRS 3 : Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 4 : Extension of the Temporary Exemption from Applying MFRS 9	At issue date of 17 August 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 : Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16 : COVID-19 Related Rent Concessions	1 June 2020 *
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 and MFRS 108 : Definition of Material	1 January 2020
Amendments to MFRS 101 : Classification of Liabilities as Current or Non-Current	1 January 2023 **
Amendments to MFRS 116 : Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 : Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2018-2020	1 January 2022

\* The effective date has been deferred from annual reporting periods beginning on or after 1 January 2021 to 1 January 2023 pursuant to the amendments to MFRS 17 issued by the MASB, namely "Amendments to MFRS 17 Insurance Contracts".

\* The effective date has been deferred from annual reporting periods beginning on or after 1 January 2022 to 1 January 2023 pursuant to the amendments to MFRS 101 issued by the MASB, namely "Classification of Liabilities as Current or Non-Current - Deferral of Effective Date".

The initial adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group.

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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2020.**

**A3 Auditors' report on preceding annual financial statements**

The preceding year annual audited financial statements were not subject to any qualification.

**A4 Seasonal or cyclical factors**

The Group's operations are not materially affected by seasonal or cyclical factors.

**A5 Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter to date and current financial year-to-date.

**A6 Material changes in estimates**

There were no changes in estimates of amounts reported that have a material effect in the current quarter under review and current financial year-to-date.

**A7 Debt and equity securities**

There was no issuance, cancellations, repurchases, resale and repayment of debt and equity securities, share buy backs, share cancellations, shares held as treasury share and resale of treasury shares for the current quarter under review and current financial year-to-date.

**A8 Dividend declared or paid**

A final dividend of 1.50 sen per ordinary share amounted to RM3,386,244.00 in respect of financial year ended 30 June 2020 was paid by the Company on 25 September 2020.

**A9 Segmental information**

Segment analysis has not been prepared as the Group's business is focused only in manufacturing and trading of electronic products, components and test probes, including production, packaging, marketing and distribution of its products principally in Malaysia, and this forms the focus of the Group's internal reporting system.

The chief operating decision maker reviews the business performance of the Group as a whole and management monitors the operating results of its business for the purpose of making decisions on resources allocation and performance assessment.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2020.**

**Geographical information**

For the purpose of disclosing geographical information, revenue is based on the geographical location of the customers from which the sales transactions originated.

**Revenue by countries**

	Current year quarter	Current year to date	Current year to date
	01/07/2020 to 30/09/2020 RM'000	01/07/2020 to 30/09/2020 RM'000	01/07/2020 to 30/09/2020 %
Malaysia	2,939	2,939	32%
China	2,862	2,862	31%
United States	821	821	9%
Philippines	698	698	8%
Thailand	433	433	5%
Taiwan	157	157	2%
Others	1,232	1,232	13%
<b>Total</b>	<b>9,142</b>	<b>9,142</b>	<b>100%</b>

The Group does not have any non-current assets that are located in countries other than Malaysia.

**A10 Valuation of property, plant and equipment**

There was no valuation of the property, plant and equipment in the current quarter.

**A11 Material events subsequent to the end of the quarter**

There are no material events subsequent to the end of the current quarter under review that have not been reflected in the financial statements, save and except for the followings :-

On 26 October 2020, the Board of Directors of the Company had announced that JF International Sdn. Bhd., a wholly-owned subsidiary of JF Tech had entered into a Capital Increase Agreement and a Shareholders' Agreement (collectively referred to as the "Definitive Agreements") with Hubble Technology Investment Co., Ltd (哈勃科技投资有限公司) ("HTI"), a wholly-owned subsidiary of Huawei Investment & Holding Co., Ltd. and JFH Technology (Kunshan) Co., Ltd. (杰冯测试技术(昆山)有限责任公司) ("JFH Technology"), a wholly-owned subsidiary of JF International Sdn Bhd.

The purpose of the Definitive Agreements is to formalise the business collaboration between the Parties, to set out the basic terms of relationship between the Parties, subscription of capital in JFH Technology by HTI and to make clear provisions on the Parties' rights and obligations with respect to the corporate governance, equity transfer and other aspects of JFH Technology following the completion of the capital increase by HTI in JFH Technology ("Proposed Business Collaboration").

**A12 Changes in the composition of the Group**

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

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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2020.**

**A13 Contingent liabilities**

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at reporting date.

**A14 Capital commitments**

	RM'000
Property, plant and equipment	
Authorised and contracted for	2,200
Authorised and not contracted for	0

**A15 Significant related party transactions**

The Group has no related party transactions which would have a significant impact on the financial position and business of the Group during the current financial quarter under review and current financial year-to-date.

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## B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS

### B1 Review of performance

	INDIVIDUAL PERIOD		Changes YoY  %	CUMULATIVE PERIOD		Changes YoY  %
	Current Year 1st Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	01/07/2020 to 30/09/2020 RM'000	01/07/2019 to 30/09/2019 RM'000		01/07/2020 to 30/09/2020 RM'000	01/07/2019 to 30/09/2019 RM'000	
Revenue	9,142	6,439	42%	9,142	6,439	42%
Operating Profit	3,954	1,854	113%	3,954	1,854	113%
Profit before tax ("PBT")	4,047	1,908	112%	4,047	1,908	112%
Profit after tax ("PAT")	4,007	1,809	122%	4,007	1,809	122%
Profit attributable to ordinary equity holders of the parent	4,007	1,809	122%	4,007	1,809	122%
EBITDA	4,468	2,267	97%	4,468	2,267	97%

#### Individual Quarter : Comparison with the corresponding quarter in previous year

For the current quarter ended 30 September 2020, the Group posted its best-ever quarterly turnover of RM9.14 million, an increase of 42% year-on-year ("YoY") or RM2.70 million from RM6.43 million in the previous year corresponding quarter. The improvement was primarily attributed to stronger demand from our customers notwithstanding the Covid-19 pandemic. The Group's Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") soared to RM4.47 million in 1QFY2021 as compared to RM2.27 million (+97% YoY) in 1QFY2020. The robust growth translated into the Group's Profit After Tax ("PAT") as well, surging 122% YoY to RM4.01 million in the quarter under review versus RM1.81 million a year ago. This is the highest quarterly PAT recorded in the Group's history.

### B2 Financial review for current quarter compared with immediate Preceding Quarter

	Current Year 1st Quarter	Immediate Preceding Quarter	Changes QoQ  %
	01/07/2020 to 30/09/2020 RM'000	01/04/2020 to 30/06/2020 RM'000	
Revenue	9,142	8,131	12%
Operating Profit	3,954	2,840	39%
Profit before tax ("PBT")	4,047	2,857	42%
Profit after tax ("PAT")	4,007	3,092	30%
Profit attributable to ordinary equity holders of the parent	4,007	3,092	30%
EBITA	4,468	3,273	37%

For the current quarter under review, the Group's turnover increased 12% quarter-on-quarter ("QoQ") to RM9.14 million on the back of sustained growth in demand. Meanwhile, the larger-than-proportionate 30% QoQ jump in PAT to RM4.01 million from RM3.09 million in the immediate preceding quarter was attributed to stronger sales and higher gross profit margin achieved, coupled with lower operating cost to revenue ratio.

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## B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS

### B3 Prospects for the financial year ending 30 June 2021.

The Board expects the overall operating environment to remain challenging in FY2021 due to uncertainties brought about by the Covid-19 pandemic. Nevertheless, there are various opportunities the Group can capitalize on. JF Tech has also taken a big leap forward in our expansion plan to China. The Group is partnering with Hubble Technology Investment Co., Ltd ("HTI") from China to design, develop, manufacture and supply high performance test contactors in China. HTI is the venture capital arm of Huawei Investment & Holding Co., Ltd ("Huawei"). Through this collaboration, JF Tech will fortify its relationship with Huawei as a strategic partner, as well as gain market access into China. This will also allow JF Tech to ride on China's large-scale semiconductor localization plan and capture the tremendous sales and incentives under the Made in China 2025 initiatives. Furthermore, our plan to set up a manufacturing facility in China will provide us with first mover advantage. In return, we will be able to develop and expand our network to better serve our customers in China by reducing lead times and enhancing supply chain efficiency. All in all, the outlook for the Group remains positive despite the challenging environment, underpinned by the growth plans we have in place. Barring any unforeseen circumstances, the Board anticipates the Group will achieve a satisfactory performance in FY2021.

### B4 Profit forecast, profit guarantee and internal targets

The Group does not provide any profit forecast, profit guarantee or internal targets in any publicly available document or announcement.

### B5 Notes to the statement of comprehensive income

PBT is arrived at after charging/(crediting) :

	Current Year 1st Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	01/07/2020 to 30/09/2020 RM'000	01/07/2019 to 30/09/2019 RM'000	01/07/2020 to 30/09/2020 RM'000	01/07/2019 to 30/09/2019 RM'000
Other Income - Amortisation of government grant	(51)	(50)	(51)	(50)
Depreciation of property, plant and equipment	398	347	398	347
Interest expense	26	11	26	11
Interest income from short term funds	(119)	(65)	(119)	(65)
Net loss/(gain) on realised and unrealised foreign exchange	129	(17)	129	(17)
Sales Commission	215	146	215	146

### B6 Taxation

	Current Year 1st Quarter	Current Year To-date
	01/07/2020 to 30/09/2020 RM'000	01/07/2020 to 30/09/2020 RM'000
Current tax	(40)	(40)
Deferred tax	0	0
In respect of prior years	-	-
Total	(40)	(40)

Current tax is provided for profitable subsidiary as there is no claiming of tax group relief over the loss making companies within the Group.

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## B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS

B7 The Group's borrowings which are all secured as at 30 September 2020 is as follows :

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowing	1,257	-	1,257
Long term borrowing	2,985	-	2,985
Total	4,242	-	4,242

The Group does not have any foreign currency borrowings.

### B8 Dividend Payable

There was no dividend declared or recommended for the current quarter under review.

### B9 Material litigations

As the date of this announcement, the Group is not engaged in any material litigation and the Board of Directors do not have any knowledge of any proceedings pending or threatened against the Group.

### B10. Earnings per share ("EPS")

	Current year 1st Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	01/07/2020 to 30/09/2020	01/07/2019 to 30/09/2019	01/07/2020 to 30/09/2020	01/07/2019 to 30/09/2019
Profit after taxation (RM'000)	4,007	1,809	4,007	1,809
Weighted average number of ordinary shares for basic earnings per share ('000)	223,031	210,000	223,031	210,000
Basic Earnings Per Share based on weighted average number of ordinary shares (sen)	1.80	0.86	1.80	0.86

Diluted earnings per share is not computed as the Company does not have any convertible financial instruments as at 30 September 2020.

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## B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS

### B11. Status of Corporate Proposals Announced

Save as disclosed below, there were no other corporate proposals announced but not completed at the latest practicable date which is not earlier than seven (7) days from the date of issue of this interim financial report :-

#### 1 Proposed private placement of up to 10% of the existing total number of issued shares in JF Tech in accordance with the general mandate pursuant to sections 75 and 76 of the Companies Act 2016 ("Proposed Private Placement")

On 13 July 2020, M&A Securities Sdn Bhd had, on behalf of our Board of Director of the Company ("Board"), announced that JF Tech proposes to implement a private placement of up to 10% of the total number of issued shares in JF Tech to independent third party investor(s) to be identified at a later date. As at 12 July 2020, the size of the Proposed Private Placement is up to 20,999,900 new JF Tech Shares ("Placement Shares")

The Proposed Private Placement will be undertaken in accordance with the general mandate pursuant to Section 75 and 76 of the Companies Act 2016 ("Act") at its 13th Annual General Meeting ("AGM") convened on 5 December 2019. The Shareholders' Mandate is in force until the Company's next AGM (unless revoked or varied by the shareholders at a general meeting prior to the next AGM) or the expiry of the period within the next AGM of the Company is required to be held, whichever is earlier.

On 24 July 2020, the Company announced that Bursa Malaysia Securities Berhad had, vide its letter dated 23 July 2020, approved the listing of and quotation for 20,999,900 Placement Shares to be issued pursuant to the Proposed Private Placement.

On 21 August 2020, the Company had announced that the Board had fixed the issue price for the first tranche of JF Tech shares to be issued pursuant to the Proposed Private Placement at RM3.2000 per JF Tech share for an aggregate cash consideration of RM50,399,680.00 for 15,749,900 Placement shares. The issue price represents a discount of 6.88% to the 5-day weighted average market price of JF Tech Shares from 13 August 2020 to 19 August 2020 of RM3.4366.

The first tranche of the Private Placement was completed on 4 September 2020 following the listing and quotation of 15,749,900 Placement Shares on the ACE Market of Bursa Securities.

On 22 October 2020, the Company had announced that the Board had fixed the issue price for the second tranche of JF Tech shares to be issued pursuant to the Proposed Private Placement at RM3.7300 per JF Tech share. The issue price represents a discount of 9.83% to the 5-day weighted average market price of JF Tech Shares from 15 October 2020 to 21 October 2020 of RM4.1366.

The proposal was deemed completed following the listing and quotation for the following shares on ACE market of Bursa Malaysia Securities Berhad :-

Listing date	Issue Price (RM)	No. of Placement shares	Total Proceeds (RM)
04-Sep-20	3.20	15,749,900	50,399,680
06-Nov-20	3.73	5,250,000	19,582,500
		<b>20,999,900</b>	<b>69,982,180</b>

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## B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS

As at the date of this report, the status of the utilisation of the proceeds is as follows :

	Details of utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Unutilisation proceeds (RM'000)	Intended Timeframe for utilisation
1	Factory capacity expansion	23,000	67	22,933	Within 36 months
2	R&D laboratory expansion	4,000	0	4,000	Within 24 months
3	Setting up of new test interface and services business unit	12,000	18	11,982	Within 24 months
4	Purchase of input materials and manufacturing consumables	5,000	0	5,000	Within 60 months
5	Future working capital/investment	25,632	0	25,632	Within 60 months
6	Estimated expenses in relation to the Proposed Private Placement	350	350	0	Within 36 months
		<b>69,982</b>	<b>435</b>	<b>69,547</b>	

### 2 Proposed Bonus Issues of Shares with Warrants

On 5 October 2020, M&A Securities Sdn Bhd had on behalf of the Board announced that the Company proposed to undertake a bonus issue up to 692,998,755 new ordinary shares in JF Tech (Bonus Shares) together with up to 461,999,170 free detachable warrants ("Warrants"), on the basis of 3 Bonus Shares together with 2 Warrants for every 1 existing ordinary share in JF Tech ("JF Tech Share(s)") or "Share(s)") held on an entitlement date to be determined and announced later.

On 28 October 2020, the Company announced that the additional listing application in respect of the Proposed Bonus Issues of Shares with Warrants had been submitted to Bursa Malaysia Securities Berhad and pending for approval.

The Company will be obtaining shareholders' approval in the coming extraordinary general meeting ("EGM") on 3 December 2020 upon approval from Bursa Malaysia Securities Berhad.

#### B12. Authorisation for issue

The interim financial report has been authorised for issue by the Board of Directors ("Board") in accordance with a resolution of the Board on 17 November 2020.

On Behalf of the Board

**Dato' Foong Wei Kuong**  
Managing Director

17 November 2020