

JF Technology Berhad

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



INTERIM FINANCIAL REPORT FOR FIRST QUARTER ENDED 30 SEPTEMBER 2022

JF Technology Berhad

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



Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For 1st financial quarter ended 30 September 2022

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|--|--|---|
| | Current year 1st Quarter 1/7/2022 to 30/9/2022 | Preceding Year Corresponding Quarter | Current Year To-date 1/7/2022 to 30/9/2022 | Preceding Year Corresponding Period |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue - | 11,590 | 11,315 | 11,590 | 11,315 |
| Cost of sales | (3,280) | (2,447) | (3,280) | (2,447) |
| Gross profit | 8,310 | 8,868 | 8,310 | 8,868 |
| Other operating income | 705 | 1,103 | 705 | 1,103 |
| Operating expenses | (4,997) | (3,970) | (4,997) | (3,970) |
| Profit from operations | 4,018 | 6,001 | 4,018 | 6,001 |
| Finance cost | (51) | (64) | (51) | (64) |
| Interest Income | 420 | 63 | 420 | 63 |
| Profit before taxation | 4,387 | 6,000 | 4,387 | 6,000 |
| Tax Expense | (1) | (1,420) | (1) | (1,420) |
| Profit for the financial period | 4,386 | 4,580 | 4,386 | 4,580 |
| Other comprehensive income | | | | |
| Profit for the financial period | 4,386 | 4,580 | 4,386 | 4,580 |
| Foreign currency translation differences | 96 | (55) | 3 | (33) |
| Total comprehensive profit for the period | 4,482 | 4,525 | 4,389 | 4,547 |
| Profit attributable to: | | | | |
| Owners of the company | 4,446 | 5,036 | 4,446 | 5,036 |
| Non-controlling interests | (60) | (456) | (60) | (456) |
| Profit for the financial period | 4,386 | 4,580 | 4,386 | 4,580 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 4,542 | 4,981 | 4,449 | 4,981 |
| Non-controlling interests | (60) | (456) | (60) | (456) |
| Total comprehensive profit for the period | 4,482 | 4,525 | 4,389 | 4,525 |
| Earnings Per Share (EPS) | | | | |
| - Basic (Sen) | 0.48 | 0.55 | 0.48 | 0.55 |
| - Diluted (Sen) | 0.48 | 0.50 | 0.48 | 0.50 |

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 2022 and the accompanying explanatory notes attached to this interim financial statements.

JF Technology Berhad

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Unaudited Condensed Consolidated Statement of Financial Position As at 30 September 2022

| | (Unaudited) As at 30/9/2022 RM'000 | (Audited) As at 30/6/2022 RM'000 |
|---|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 33,728 | 32,351 |
| Rights to use assets | 6,157 | 6,347 |
| Deferred tax asset | 24 | 25 |
| | 39,909 | 38,723 |
| INTANGIBLE ASSETS | 5,394 | 5,485 |
| GOODWILL | 95 | 95 |
| Current assets | | |
| Inventories | 5,418 | 4,862 |
| Trade receivables | 9,551 | 9,332 |
| Other receivables, deposits and prepayments | 2,063 | 2,123 |
| Current tax assets | 2,497 | 2,354 |
| Short Term investment | 536 | 508 |
| Fixed deposit with a licensed bank | 237 | 236 |
| Cash and cash equivalents | 80,416 | 84,078 |
| | 100,718 | 103,493 |
| TOTAL ASSETS | 146,116 | 147,796 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the company | | |
| Share capital | 94,066 | 94,066 |
| Capital Reserves | 2,481 | 2,481 |
| Currency Translation Reserves | 52 | 51 |
| Retained Earnings | 32,220 | 32,409 |
| Equity attributable to owners of the Company | 128,819 | 129,007 |
| Non-controlling interest | 1,559 | 1,617 |
| Total equity | 130,378 | 130,624 |
| Non-current liabilities | | |
| Term Loan | 1,456 | 1,555 |
| Lease liabilities | 2,237 | 2,584 |
| Deferred Income | 979 | 1,030 |
| Deferred tax liabilities | 2,222 | 2,244 |
| | 6,894 | 7,413 |
| Current liabilities | | |
| Trade payables | 343 | 374 |
| Other payables and accruals | 7,067 | 7,922 |
| Term loan | 251 | 181 |
| Lease liabilities | 1,036 | 1,135 |
| Current tax liabilities | 147 | 147 |
| Total current liabilities | 8,844 | 9,759 |
| Total liabilities | 15,738 | 17,172 |
| TOTAL EQUITY AND LIABILITIES | 146,116 | 147,796 |
| | - | - |
| Net assets per share (RM) | 0.1406 | 0.1409 |

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For 1st financial quarter ended 30 September 2022

| | <-----Non -Distributable-----> | | | Distributable | | Non-Controlling Interest RM'000 | Total Equity RM'000 |
|--|--------------------------------|---------------------------|--|-----------------------------|--|------------------------------------|------------------------|
| | Share Capital RM'000 | Capital Reserve RM'000 | Currency Translation Reserve RM'000 | Retained Earnings RM'000 | Total Equity attributable to owners of the Company RM'000 | | |
| 3 months ended 30 September 2021 (unaudited) | | | | | | | |
| Balance as at 01 July 2021 | 90,560 | 2,481 | (24) | 24,423 | 117,440 | 3,075 | 120,515 |
| Profit after taxation for the financial period | | | | 5,036 | 5,036 | (456) | 4,580 |
| Other comprehensive income | | | | | | | |
| Foreign currency translation differences | | | (8) | | (8) | (25) | (33) |
| Total Comprehensive income for the period | - | - | (8) | 5,036 | 5,028 | (481) | 4,547 |
| Contributions by and distributions to owners of the Company : | | | | | | | |
| Dividend paid during the financial period | | | | (4,620) | (4,620) | | (4,620) |
| Total transactions with owners of the Company | - | - | - | (4,620) | (4,620) | - | (4,620) |
| | | | | | - | | |
| Balance as at 30 September 2021 | 90,560 | 2,481 | (32) | 24,839 | 117,848 | 2,594 | 120,442 |

3 months ended 30 September 2022 (unaudited)

| | | | | | | | |
|--|--------|-------|----|---------|---------|-------|---------|
| Balance as at 01 July 2022 | 94,066 | 2,481 | 51 | 32,409 | 129,007 | 1,617 | 130,624 |
| Profit after taxation for the financial period | | | | 4,446 | 4,446 | (60) | 4,386 |
| Other comprehensive income | | | | | | | |
| Foreign currency translation differences | | | 1 | | 1 | 2 | 3 |
| Total Comprehensive income for the period | - | | 1 | 4,446 | 4,447 | (58) | 4,389 |
| Contributions by and distributions to owners of the Company : | | | | | | | |
| Dividend paid during the financial period | | | | (4,635) | (4,635) | | (4,635) |
| Total transactions with owners of the Company | - | - | - | (4,635) | (4,635) | - | (4,635) |
| | | | | | - | | |
| Balance as at 30 September 2022 | 94,066 | 2,481 | 52 | 32,220 | 128,819 | 1,559 | 130,378 |

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 2022 and the accompanying explanatory notes attached to this interim financial statements.

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Unaudited Condensed Consolidated Statement of Cash Flows For 1st financial quarter ended 30 September 2022

| | (Unaudited) As at 30/9/2022 RM'000 | (Audited) As at 30/6/2022 RM'000 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 4,387 | 15,079 |
| Adjustments for : | | |
| Depreciation of property, plant and equipment | 510 | 2,837 |
| Depreciation of right-of-use assets | 196 | 735 |
| Dividend income | (2) | (6) |
| Fair value gain from short-term funds | (28) | (58) |
| Interest expense | 50 | 231 |
| Amortisation of intangible asset | 69 | - |
| Amortisation of deferred income | (50) | (202) |
| Gain on disposal of property, plant and equipment | - | (71) |
| Property, plant and equipment written off | - | 2 |
| Inventories written down | - | 120 |
| Interest income from short-term funds | (420) | (1,137) |
| Unrealised gain on foreign exchange | (348) | (44) |
| Unrealised loss on foreign exchange | 35 | 93 |
| Operating profit before working capital changes | 4,399 | 17,579 |
| Changes in working capital: | | |
| Decrease/(Increase) in inventories | (556) | (1,211) |
| Decrease/(Increase) in receivables | (159) | (823) |
| (Decrease) / Increase in payables | (942) | 6,083 |
| Cash generated from/(used in) operating activities | 2,742 | 21,628 |
| Income tax refund/(paid) | (89) | (2,256) |
| Net cash generated from/ (used in) operating activities | 2,653 | 19,372 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 420 | 1,133 |
| Investment in quoted securities | - | (450) |
| Acquisition of business and assets of Ikeda Technology (M) Sdn Bhd | - | (3,900) |
| Dividend received | 2 | 6 |
| Withdrawn of a fixed deposit | - | 250 |
| Purchase of property, plant and equipment | (1,893) | (13,053) |
| Proceeds from disposal of property, plant and equipment | - | 71 |
| Net cash from/ (used in) investing activities | (1,471) | (15,943) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (50) | (231) |
| Repayment of lease liabilities | (446) | (1,458) |
| Repayment of term loan | (28) | (160) |
| Proceeds from issuance of shares pursuant to conversion of warrants | - | 3,506 |
| Dividends paid | (4,635) | (9,255) |
| Net cash (used in)/ from financing activities | (5,159) | (7,598) |
| Net (decrease)/ increase in cash and cash equivalents | (3,977) | (4,169) |
| Cash and cash equivalents at beginning of period | 84,314 | 88,184 |
| Effects of exchange rate changes | 316 | 63 |
| Cash and cash equivalents at end of period | 80,653 | 84,078 |
| Cash and cash equivalents consist of: | | |
| Short Term Funds | 71,336 | 73,611 |
| Cash and bank balances | 9,080 | 10,231 |
| Fixed deposits pledged to licensed banks | 237 | 236 |
| | 80,653 | 84,078 |

Notes :

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 2022 and the explanatory notes attached to the interim financial statements.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2022.

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 2022. 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 2022.

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 2022. The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board which are effective for annual periods beginning on or after 1 January 2022 :

| | Effective Date |
|--|----------------|
| MFRS 17 Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 3 : Reference to the Conceptual Framework | 1 January 2022 |
| 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 17 Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 17 : Initial Application of MFRS 17 and MFRS 9 - Comparative Information | 1 January 2023 |
| Amendments to MFRS 101 : Classification of Liabilities as Current or Non-Current | 1 January 2023 |
| Amendments to MFRS 101: Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to MFRS 108: Definition of Accounting Estimates | 1 January 2023 |
| Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 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 |
| Annual Improvements to MFRS Standards 2018 - 2020 | 1 January 2022 |

The 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 upon their initial application.

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.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2022.

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 were 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 during the current quarter under review and current financial year-to-date.

A8 Dividend Paid

Dividends paid during the financial period ended 30 September 2022 is as follows:

A final dividend of 0.50 sen per ordinary share amounted to RM4,635,290 in respect of financial year ended 30 June 2022 was paid by the Company on 30 September 2022.

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.

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.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments.

Revenue by countries

| | Current year quarter 1/7/2022 to 30/9/2022 RM'000 | Current year to date 1/7/2022 to 30/9/2022 RM'000 | Current year to date 1/7/2022 to 30/9/2022 % |
|---------------|--|--|---|
| Malaysia | 3,925 | 3,925 | 34% |
| China | 3,686 | 3,686 | 32% |
| United States | 948 | 948 | 8% |
| Philippines | 1,065 | 1,065 | 9% |
| Thailand | 567 | 567 | 5% |
| Taiwan | 107 | 107 | 1% |
| Singapore | 909 | 909 | 8% |
| Others | 383 | 383 | 3% |
| Total | 11,590 | 11,590 | 100% |

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2022.

A10 Valuation of property, plant and equipment

There are 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.

A12 Changes in the composition of the Group

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

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 | 27,968 |
| Authorised and not contracted for | nil |

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 | |
| | 1/7/2022 to 30/9/2022 | 1/7/2021 to 30/9/2021 | | 1/7/2022 to 30/9/2022 | 1/7/2021 to 30/9/2021 | |
| | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| Revenue | 11,590 | 11,315 | 2% | 11,590 | 11,315 | 2% |
| Operating Profit | 4,018 | 6,001 | -33% | 4,018 | 6,001 | -33% |
| Profit before tax ("PBT") | 4,387 | 6,000 | -27% | 4,387 | 6,000 | -27% |
| Profit after tax ("PAT") | 4,386 | 4,580 | -4% | 4,386 | 4,580 | -4% |
| Profit attributable to ordinary equity holders of the parent ("net profit") | 4,446 | 5,036 | -12% | 4,446 | 5,036 | -12% |

1QFY2023 YoY

For the current quarter ended 30 September 2022 ("1QFY2023"), the Group quarterly revenue rose 2% year-on-year ("YoY") to RM11.59 million from RM11.32 million a year ago. The increase was mainly attributed to higher contributions from our test engineering solutions, maiden contribution from our test interface products business and manufacturing facility in Kunshan, China

On the other hand, the Group reported a net profit of RM4.44 million in 1QFY2023, which was lower than the RM5.03 million achieved in the previous year corresponding quarter. This was largely due to higher operating expenses incurred in relation to the test engineering solutions and manufacturing facility in Kunshan, China. On a brighter note, the production utilization at our China facility has been picking up during the quarter under review.

B2 Financial review for current quarter compared with immediate Preceding Quarter

| | Current Year 1st Quarter | Immediate Preceding Quarter | Changes QoQ |
|---|-----------------------------|-----------------------------------|----------------|
| | 1/7/2022 to 30/9/2022 | 1/4/2022 to 30/6/2022 | |
| | RM'000 | RM'000 | % |
| Revenue | 11,590 | 12,007 | -3% |
| Operating Profit | 4,018 | 3,342 | 20% |
| Profit before tax ("PBT") | 4,387 | 3,669 | 20% |
| Profit after tax ("PAT") | 4,386 | 3,303 | 33% |
| Profit attributable to ordinary equity holders of the parent ("net profit") | 4,446 | 3,510 | 27% |

The Group's 1QFY2023 revenue stood at RM11.59 million, which remained broadly similar to the immediate preceding quarter of RM12.00 million. Meanwhile, 1QFY2023 net profit improved 27% to RM4.45 million in the current quarter under review as compared to RM3.51 million in 4QFY2022 due to lower provision of expenses and gain from strengthening of US Dollar against Ringgit Malaysia ("USD/MYR").

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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 financial year ended 30 June 2023.

Businesses globally continue to grapple with market uncertainties along with a slew of macroeconomic issues such as inflationary pressure, rising interest rates and recession fears. The semiconductor market is forecasted to grow 13.9% in 2022 with moderating to 4.6% in 2023 according to World Semiconductor Trade Statistics. Against this backdrop, the business operating climate is anticipated to remain challenging. On the flip side, Semiconductor Industry Association reiterated that the long-term market outlook remains strong as semiconductors are increasingly becoming a larger and more important part of the digital economy.

At JF Tech's Group, our proven highly sustainable and resilient business model with recurring and compounding sales of test consumables while serving a multitude of industries plays a pivotal role as we navigate through the testing times. Nevertheless, there are pocket of opportunities from the sectors that we serve, which we are working to capitalize in order to further establish our market presence.

More importantly, the maturation of our two growth drivers – test engineering solutions business and China facility – comes at an opportune time as it enables us to continue growing our business

On that note, we are pleased to share that our test engineering solutions business has a healthy order- book with more potential orders in the pipeline. At the same time, the team is continuously innovating to develop cutting edge solutions and expanding our product lines, bringing more possibilities to our customers and allow us to enhance our global presence. More excitingly, our acquisition of the test interface products business, has already begun to bear fruit and started contributing to the Group's earnings.

Over in China, the utilization rate at our facility has been improving and is projected to gain further traction as we progress into FY2023. Meanwhile, the Group is also working closely with our business partner, to develop next generation outperforming products.

On balance, the long-term prospects of the Group remains bright given that more of our growth drivers are maturing and coming onstream. The Group is cognizant of the prevailing challenges and continues to exercise prudence as we grow our business. The Board expects the FY2023 financial performance of the Group to be satisfactory, barring any unforeseen circumstances.

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.

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

B5 Notes to the statement of comprehensive income

PBT is arrived at after charging/ (crediting) :

| | Current Year 1st Quarter 1/7/2022 to 30/9/2022 RM'000 | Preceding Year Corresponding Quarter 1/7/2021 to 30/9/2021 RM'000 | Current Year To-date 1/7/2022 to 30/9/2022 RM'000 | Preceding Year Corresponding Period 1/7/2021 to 30/9/2021 RM'000 |
|---|--|---|--|--|
| Other Income - Amortisation of government grant | (50) | (52) | (50) | (52) |
| Depreciation of property, plant and equipment | 706 | 699 | 706 | 699 |
| Interest expense | 50 | 64 | 50 | 64 |
| Interest income from short term funds | (420) | (63) | (420) | (63) |
| Fair value gain from short term funds | (28) | (359) | (28) | (359) |
| Net (gain)/loss on realised and unrealised foreign exchange | (491) | (121) | (491) | (121) |

B6 Taxation

| | Current Year 1st Quarter 1/7/2022 to 30/9/2022 RM'000 | Current Year To-date 1/7/2022 to 30/9/2022 RM'000 |
|---------------------------|--|--|
| Current tax | 21 | 21 |
| Deferred tax | (22) | (22) |
| In respect of prior years | - | - |
| Total | (1) | (1) |

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

B7 The Group's borrowings which are all secured as at 30 September 2022 is as follows :

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|----------------------|-------------------|---------------------|-----------------|
| Short term borrowing | 1,287 | - | 1,287 |
| Long term borrowing | 3,693 | - | 3,693 |
| Total | 4,980 | - | 4,980 |

The Group does not have any foreign currency borrowings.

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

B8 Dividend Payable

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

B9 Material litigation since the date of the last annual statement of financial which must be made up to a date not earlier than 7 days from the date of issue of the quarterly report.

The Group is not engaged in any material litigation, either as a plaintiff or defendant, claims or arbitration which have a material effect on the financial position of the Group.

B10 Earnings per share ("EPS")

a) Basic EPS

| | Current year 1st Quarter 1/7/2022 to 30/9/2022 | Preceding Year Corresponding Quarter 1/7/2021 to 30/9/2021 | Current Year To-date 1/7/2022 to 30/9/2022 | Preceding Year Corresponding Period 1/7/2021 to 30/9/2021 |
|--|--|---|--|--|
| Profit attributable to owners of the Company (RM'000) | 4,446 | 5,036 | 4,446 | 5,036 |
| Weighted average number of ordinary shares for basic earnings per share ('000) | 927,058 | 924,035 | 927,058 | 924,035 |
| Basic Earnings Per Share based on weighted average number of ordinary shares (sen) | 0.48 | 0.55 | 0.48 | 0.55 |

b) Diluted EPS

| | Current year 1st Quarter 1/7/2022 to 30/9/2022 | Preceding Year Corresponding Quarter 1/7/2021 to 30/9/2021 | Current Year To-date 1/7/2022 to 30/9/2022 | Preceding Year Corresponding Period 1/7/2021 to 30/9/2021 |
|--|--|---|--|--|
| Profit attributable to owners of the Company (RM'000) | 4,446 | 5,036 | 4,446 | 5,036 |
| Weighted average number of ordinary shares for basic earnings per share ('000) | 927,058 | 924,035 | 927,058 | 924,035 |
| Effective of dilution from conversion of warrants ('000) | - | 88,942 | - | 88,942 |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000) | 927,058 | 1,012,977 | 927,058 | 1,012,977 |
| Diluted Earnings Per Share (sen) | 0.48 | 0.50 | 0.48 | 0.50 |

Notes :

1. Basic earnings per share is computed by dividing profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the financial period and financial year under review.
2. Diluted earnings per share is computed based on the profit attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue during the financial period, adjusted for the effects of dilutive potential ordinary shares.

JF TECHNOLOGY BERHAD

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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 :-

(i) ANNOUNCEMENT TO BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") ON 8th NOVEMBER 2021 IN RELATION TO THE PROPOSED TRANSFER OF THE LISTING AND QUOTATION OF THE COMPANY'S ENTIRE ISSUED SHARE CAPITAL AND ITS OUTSTANDING WARRANTS FROM THE ACE MARKET TO THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

On 8th November 2021, Maybank Investment Bank Berhad ("Maybank IB") had, on behalf of our Board of Directors of the company announced that the Company proposes to undertake the following:

- (i) proposed transfer of the listing and quotation of the entire issued share capital and the outstanding warrants of JF Tech from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposed Transfer"); and
- (ii) proposed amendments to the Constitution of JF Tech to facilitate the implementation of the Proposed Transfer ("Proposed Amendments").

The Proposed Transfer had been submitted to Securities Commission ("SC") on 29 November 2021.

SC had, vide its letter dated 31 May 2022, approved the Proposed Transfer under Section 214(1) of the Capital Markets and Services Act 2007 and under the Bumiputera equity requirement for public listed companies in relation to the resultant equity structure of JF Tech pursuant to the Proposed Transfer subject to the following conditions:

- (i) JF Tech to implement the appropriate action to remedy the non-adoption with Practices 5.4 and 5.9 of the Malaysian Code on Corporate Governance ("MCCG"); and
- (ii) JF Tech to proceed with the Proposed Transfer upon providing confirmation to the SC on the adoption with Practices 5.4 and 5.9 of the MCCG.

On 3 November 2022, JF Tech had submitted an application to the SC to seek approval for an extension of time of one-month from 1 December 2022 to 31 December 2022 to complete the implementation of the Proposed Transfer to Main Market.

We are expecting the exercise would be completed by 31 December 2022 barring any unforeseen circumstances.

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

B12 Utilisation of Proceeds from Private Placement Issue

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) | Unutilised proceeds (RM'000) | Intended Timeframe for utilisation |
|---|--|-------------------------------|-----------------------------|------------------------------|------------------------------------|
| 1 | Factory capacity expansion | 23,000 | 7,358 | 15,642 | Within 36 months |
| 2 | R&D laboratory expansion | 4,000 | 4,000 | 0 | Within 24 months |
| 3 | Setting up of new test interface and services business unit | 12,000 | 12,000 | 0 | Within 24 months |
| 4 | Purchase of input materials and manufacturing consumables | 5,000 | 5,000 | 0 | Within 60 months |
| 5 | Future working capital/investment | 25,632 | 6,777 | 18,855 | Within 60 months |
| 6 | Estimated expenses in relation to the Proposed Private Placement | 350 | 350 | 0 | Within 36 months |
| | | 69,982 | 35,485 | 34,497 | |

B13 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 22 November 2022.

On Behalf of the Board

Dato' Foong Wei Kuong
Managing Director

22 November 2022