



## **CEKD BERHAD**

[Registration No. 201801023077 (1285096-M)]  
(Incorporated in Malaysia)

Interim Financial Report  
For the 4th Quarter Ended  
31 August 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Unaudited Current Year Quarter 31.08.2022 RM'000	Unaudited Preceding Year Corresponding Quarter 31.08.2021 RM'000	Unaudited Current Year-to-date 31.08.2022 RM'000	Audited Preceding Year Corresponding Year-to-date 31.08.2021 RM'000
Revenue		7,740	5,769	30,453	28,227
Cost of sales		(4,416)	(2,918)	(15,047)	(13,895)
Gross profit		<b>3,324</b>	<b>2,851</b>	<b>15,406</b>	<b>14,332</b>
Other income		303	214	1,022	574
Administrative expenses <sup>(2)</sup>		(1,496)	(1,389)	(7,756)	(5,296)
Selling and distribution expenses		(235)	(91)	(602)	(437)
Other operating expenses		(59)	(5)	(145)	(218)
Net impairment gain/(loss) on financial assets		12	(3)	6	(10)
Profit from operations		<b>1,849</b>	<b>1,577</b>	<b>7,931</b>	<b>8,945</b>
Finance costs		(141)	(105)	(600)	(416)
<b>Profit before tax</b>	B12	<b>1,708</b>	<b>1,472</b>	<b>7,331</b>	<b>8,529</b>
Tax expense	B5	(560)	(382)	(2,430)	(2,245)
<b>Net Profit/Total comprehensive income for the financial period</b>		<b>1,148</b>	<b>1,090</b>	<b>4,901</b>	<b>6,284</b>
<b>Net Profit/Total comprehensive income for the financial period attributable to :</b>					
Owner of the Company		1,148	1,090	4,901	6,284
		<b>1,148</b>	<b>1,090</b>	<b>4,901</b>	<b>6,284</b>
<b>Earnings Per Share attributable to Owners of the Company</b>					
Basic <sup>(3)</sup> EPS (sen)	B11	0.59	0.76	2.52	4.36
Diluted <sup>(4)</sup> EPS (sen)	B11	0.59	0.56	2.52	3.22



Registration No: 201801023077 (1285096-M)

Unaudited Interim Financial Report for The Fourth (4<sup>th</sup>) Quarter Ended 31 August 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup> (CONTINUED)**

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.
- (2) Administrative expenses included one-off listing expenses of RM1.92 million. For illustration purposes only, the Company's normalise financial performance after adjusting for the one-off listing expenses is as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 31.08.2022 RM'000	Unaudited Preceding Year Corresponding Quarter 31.08.2021 RM'000	Unaudited Current Year Quarter 31.08.2022 RM'000	Audited Preceding Year Corresponding Quarter 31.08.2021 RM'000
Profit before tax	1,708	1,472	7,331	8,529
Add : Listing expenses	-	616	1,921	616
<b>Adjusted profit before tax</b>	<b>1,708</b>	<b>2,088</b>	<b>9,252</b>	<b>9,145</b>

- (3) Basic earnings per share ("EPS") is calculated based on the Company's share capital of 194,573,000 ordinary shares (31 August 2021 : 143,983,000 ordinary shares).
- (4) Diluted EPS is calculated based on the Company's share capital of 194,573,000 ordinary shares.

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Unaudited Interim Financial Report for The Fourth (4<sup>th</sup>) Quarter Ended 31 August 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>**

	Note	Unaudited As at 31.08.2022 RM'000	Audited As at 31.08.2021 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		34,523	25,942
Goodwill on consolidation		453	453
Other investments		65	6,281
		35,041	32,676
<b>Current Assets</b>			
Inventories		6,555	4,800
Trade receivables		6,633	5,534
Other receivables, deposits and prepayment		1,336	3,050
Fixed deposits with licensed bank		3,567	3,504
Cash and bank balances		32,500	6,517
		50,591	23,405
<b>Total Assets</b>		<b>85,632</b>	<b>56,081</b>
<b>Equity</b>			
Invested equity		57,701	34,268
Merger reserves		(31,918)	(31,918)
Retained earnings		39,119	38,109
Total equity		64,902	40,459
<b>Non-Current Liabilities</b>			
Loans and borrowings	B8	13,440	11,466
Deferred tax liabilities		1,058	1,064
		14,498	12,530
<b>Current Liabilities</b>			
Trade payables		321	329
Other payables and accruals		3,650	1,543
Loans and borrowings	B8	1,562	1,133
Tax payable		699	87
		6,232	3,092
<b>Total Liabilities</b>		<b>20,730</b>	<b>15,622</b>
<b>Total Equity and Liabilities</b>		<b>85,632</b>	<b>56,081</b>
<b>Net Assets Per Share (RM) <sup>(2)</sup></b>		0.33	0.21

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position is disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the Company's number of ordinary shares as at 31 August 2022 of 194,573,000 shares (31 August 2021 : 143,983,000 ordinary shares).

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)</sup>**

	Note	Attributable to Owners of the Company			Total Equity RM'000
		Non-distributable Share Capital RM'000	Merger Reserves RM'000	Distributable Retained earnings RM'000	
<b>Balance as at 31 August 2021 (Audited)</b>		34,268	(31,918)	38,109	40,459
Total comprehensive income for the financial year		-	-	4,901	4,901
Issuance of shares		24,283	-	-	24,283
Share issuance expenses		(850)	-	-	(850)
Dividend paid	B10	-	-	(3,891)	(3,891)
<b>Balance as at 31 August 2022 (Unaudited)</b>		<b>57,701</b>	<b>(31,918)</b>	<b>39,119</b>	<b>64,902</b>

**Note:**

- (1) The basis of preparation of the Unaudited Condensed Statement of Changes in Equity is disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.

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Unaudited Interim Financial Report for The Fourth (4<sup>th</sup>) Quarter Ended 31 August 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>**

	<b>Unaudited Current Year-to-date 31.08.2022 RM'000</b>	<b>Audited Preceding Year Corresponding Year-to-date 31.08.2021 RM'000</b>
<b>Cashflows from operating activities</b>		
Profit before tax	7,331	8,529
Adjustments for:		
Change in fair value of other investment	81	218
Depreciation of property, plant and equipment	2,162	2,268
Deposit written off	-	-
Gain on remeasurement of right-to-use assets	-	(63)
Insurance claim	-	(41)
Interest expenses		
- Finance lease	29	64
- Term loan	557	353
Interest income		
- Bank interest received	(438)	(1)
- Fixed deposit	(62)	(88)
Investment income	(1)	(272)
Inventories written down due to slow-moving	1	90
Gain on disposal of property, plant and equipment	(26)	(19)
Net impact on impairment (gain)/loss of trade receivables		
- Lifetime expected credit loss allowance	(6)	4
- Specific allowance	-	7
Property, plant and equipment written off	2	-
Rental rebate	-	(2)
Unrealised loss on foreign exchange	113	77
<b>Operating profit before working capital changes</b>	<b>9,743</b>	<b>11,126</b>
Increase in inventories	(1,756)	(93)
Decrease/(increase) in trade and other receivables	620	(1,388)
Increase/(decrease) in trade and other payables	2,093	(381)
<b>Cash generated from operations</b>	<b>10,700</b>	<b>9,264</b>
Income tax paid	(2,064)	(2,260)
Income tax refund	246	3
Interest received	438	1
<b>Net cash generated from operating activities</b>	<b>9,320</b>	<b>7,008</b>
<b>Cashflows from investing activities</b>		
Acquisition of other investments	-	(6,168)
Net proceeds from disposal of property, plant and equipment	32	19
Proceed from insurance claim	-	41
Purchase of property, plant and equipment	(10,751)	(525)
Redemption of other investments	6,137	2,801
<b>Net cash used in investing activities</b>	<b>(4,582)</b>	<b>(3,832)</b>



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Unaudited Interim Financial Report for The Fourth (4<sup>th</sup>) Quarter Ended 31 August 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>  
(CONTINUED)**

	<b>Unaudited Current Year-to-date 31.08.2022 RM'000</b>	<b>Audited Preceding Year Corresponding Year-to-date 31.08.2021 RM'000</b>
<b>Cashflows from financing activities</b>		
Decrease in amount owing to a Director	-	(33)
Dividend paid	(3,891)	(3,330)
Placement of fixed deposits with licensed bank	(62)	(88)
Repayment of term loans	(5,226)	(673)
Drawdown of term loans	7,900	-
Repayment of lease liabilities, net	(272)	(473)
Proceeds from issuance of shares	23,433	-( <sup>2</sup> )
Interest paid on lease liabilities	(29)	(64)
Interest paid on term loans	(557)	(353)
Interest received on fixed deposits	62	88
<b>Net cash generated from/(used in) financing activities</b>	<b>21,358</b>	<b>(4,926)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>26,096</b>	<b>(1,750)</b>
<b>Effect of exchange rate fluctuations</b>	<b>(113)</b>	<b>(77)</b>
<b>Cash and cash equivalents at beginning of financial year</b>	<b>6,517</b>	<b>8,344</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>32,500</b>	<b>6,517</b>

**Notes:**

(1) The basis of preparation of the Unaudited Condensed Statement of Cash Flows in Equity is disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.

(2) Represents less than RM1,000.

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Unaudited Interim Financial Report for The Fourth (4<sup>th</sup>) Quarter Ended 31 August 2022

## **PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING**

### **A1. Basis of Preparation**

The interim financial report of CEKD Berhad (“**CEKD**” or “**Company**”) and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRS**”) No. 134: *Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”)* and Rule 9.22 and Appendix 9B of the Listing requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.

### **A2. Significant Accounting Policies**

The significant accounting policies and presentation adopted for this interim financial report are consistent with those adopted as disclosed in the audited financial statements for the financial year ended 31 August 2021.

The Company has not adopted the following new MFRSs and amendments to MFRSs that have been issued by MASB which are not yet effective for the Company. The Company intends to adopt the below mentioned MFRSs and Amendments to MFRSs when they become effective:

		<b>Effective dates for financial period beginning on or after</b>
Amendments to MFRS 1	First-time Adoption of Malaysia Financial Reporting Standards – Subsidiary as First-time Adopter	1 January 2022
Amendments to MFRS 3	Business Combinations – Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9	Financial Instruments – Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities	1 January 2022
Amendments to MFRS 116	Property, Plant & Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 141	Agriculture – Taxation in Fair Value Measurements	1 January 2022
Annual Improvements to MFRS standards 2018 - 2020		1 January 2022





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**PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONTINUED)**

**A2. Significant Accounting Policies (Continued)**

		<b>Effective dates for financial period beginning on or after</b>
Amendments to MFRS 17	Insurance Contracts and Amendments to MFRS 17, Insurance Contract	1 January 2023
Amendments to MFRS 101	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

**A3. Auditors’ Report on Preceding Annual Financial Statements**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 August 2021.

**A4. Seasonal or Cyclical Factors**

The Group’s performance has not been materially affected by any seasonal or cyclical factors during the current financial quarter under review.

**A5. Items or Incidence of an Unusual Nature**

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

**A6. Material Changes in Accounting Estimates**

There were no material changes in accounting estimates during the current financial quarter under review.

**A7. Debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

**PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONTINUED)**

**A8. Dividends Paid**

On 9 August 2022, the Board of Directors declared an interim single tier dividend of RM0.01 per ordinary share amounting to RM1,945,730 for the financial year ending 31 August 2022, has been paid on 22 September 2022 to the shareholders of the Company whose names appear in the Record of Depositors on 25 August 2022.

**A9. Segmental Information**

The Group’s operating segments and geographical segment is as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 31.08.2022 RM’000	Unaudited Preceding Year Corresponding Quarter 31.08.2021 RM’000	Unaudited Current Year Quarter 31.08.2022 RM’000	Audited Preceding Year Corresponding Quarter 31.08.2021 RM’000
<b>Operating Segment</b>				
<b>Revenue</b>				
- Manufacturing	6,395	4,819	26,572	23,884
- Trading	1,727	1,141	5,733	5,515
- Inter-segment revenue	(382)	(191)	(1,852)	(1,172)
	<b>7,740</b>	<b>5,769</b>	<b>30,453</b>	<b>28,227</b>
<b>Segment profit</b>	<b>3,324</b>	<b>2,851</b>	<b>15,406</b>	<b>14,332</b>
Other income	303	214	1,022	574
Unallocated expenses	(1,778)	(1,488)	(8,497)	(5,961)
Finance cost	(141)	(105)	(600)	(416)
Income tax	(560)	(382)	(2,430)	(2,245)
<b>Profit after tax</b>	<b>1,148</b>	<b>1,090</b>	<b>4,901</b>	<b>6,284</b>
<b>Geographical Segment</b>				
Revenue from Malaysia	6,628	4,816	25,916	23,752
Revenue from outside Malaysia	1,112	953	4,537	4,475
	<b>7,740</b>	<b>5,769</b>	<b>30,453</b>	<b>28,227</b>

**A10. Valuation of Property, Plant and Equipment and Investment Properties**

There was no valuation of property, plant and equipment and investment properties during current financial quarter under review.



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## **PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONTINUED)**

### **A11. Material Subsequent Events**

There were no other material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

#### **(a) Proposed Acquisition of Worldwide Die Cutting Mould Sdn Bhd (“Worldwide”)**

On 5 July 2022, the Board announced that the Company had entered into a Share Purchase Agreement (“SPA”) with Tham Choon Sarn for the acquisition of 410,003 ordinary shares in Worldwide representing 82% equity interest for a total purchase consideration of RM6,230,000.

The purchase consideration will be satisfied by cash consideration of RM6,230,000. The proposed acquisition is deemed completed on 2 September 2022 in accordance with the conditions precedent of the SPA.

#### **(b) Proposed Acquisition of Kit Technology Sdn Bhd (“Kit Technology”)**

On 5 July 2022, the Board announced that the Company had entered into a Share Sale Agreement (“SSA”) with Yap Wan Lee and Wong Hur for the acquisition of 480,000 ordinary shares in Kit Technology representing 60% equity interest for a total purchase consideration of RM720,000.

The purchase consideration will be satisfied by cash consideration of RM720,000. The proposed acquisition is deemed completed on 19 September 2022 in accordance with the conditions precedent of the SSA.

### **A12. Changes in The Composition of The Group**

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

### **A13. Contingent Liabilities**

There were no contingent liabilities incurred or known to be incurred for the financial quarter under review.

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Unaudited Interim Financial Report for The Fourth (4<sup>th</sup>) Quarter Ended 31 August 2022

**PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**A14. Capital Commitments**

Save as disclosed below, there were no other capital commitments as at the date of this interim financial report

	<b>Unaudited As at 31.08.2022 RM'000</b>	<b>Audited As at 31.08.2021 RM'000</b>
Approved and contracted for:		
New factory located in Kepong	-	8,800
Software for finish good and raw material trading support	80	-
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**A15. Related Party Transactions**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Unaudited Current Year Quarter 31.08.2022 RM'000</b>	<b>Unaudited Preceding Year Corresponding Quarter 31.08.2021 RM'000</b>	<b>Unaudited Current Year Quarter 31.08.2022 RM'000</b>	<b>Audited Preceding Year Corresponding Quarter 31.08.2021 RM'000</b>
Rental expenses charged by a related party	4	4	14	19
Rental expenses charged by a related party	-	-	-	2
Cleaning fees charged by related party	-	10	-	41
Sales/Purchase to/from a related party	61	-	115	-
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Unaudited Interim Financial Report for The Fourth (4<sup>th</sup>) Quarter Ended 31 August 2022

**PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

**B1. Review of Performance**

For the current financial quarter under review, the Group recorded revenue of RM7.74 million. Revenue from manufacturing activities contributed RM6.32 million while revenue from trading activities contributed RM1.42 million.

Approximately 85.6% of the Group's total revenue are derived locally while the remaining 14.4% are mainly derived from oversea.

The Group had incurred one-off listing expenses of approximately RM1.92 million for the current financial year-to-date ended 31 August 2022.

**B2. Comparison with Immediate Preceding Quarter's Results**

	<b>INDIVIDUAL QUARTER</b>		<b>VARIANCE</b>	
	<b>Unaudited Current Quarter 31.08.2022 RM'000</b>	<b>Unaudited Preceding Quarter 31.05.2022 RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	7,740	7,852	(112)	(1.43)
Profit before tax	1,708	2,665	(957)	(35.91)

The Group's revenue for the current quarter recorded a decrease of RM0.11 million or 1.43% from RM7.74 million in the preceding quarter ended 31 May 2022 to RM7.85 million in the current quarter ended 31 August 2022. Such decrease was mainly derived from manufacturing activities.

The Group recorded a profit before tax of RM1.71 million as compared to profit before tax of RM2.67 million achieved in the immediate preceding quarter mainly due to the lower revenue achieved and higher upkeep of machinery incurred during the current financial quarter under review.

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Unaudited Interim Financial Report for The Fourth (4<sup>th</sup>) Quarter Ended 31 August 2022

**PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

**B3. Prospects and Outlook**

On 10 October 2022, Malaysia announced the dissolution of the Parliament, resulting in great uncertainty for Malaysia. Despite the election campaign and the coming year end festive season, this will boost economic activity in the short term, as these campaigns and festive season require new products in packaging. But what is more concerning and important to long-term business planning is the stability of the macroeconomic environment and policies.

The current global inflationary situation which has increased pressure on raw material prices, plus the weakening MYR against United States Dollar ("USD") and Euro ("EUR") affect our profitability, as our raw materials are mainly imported goods trading in USD and EUR. Such cost pressure due to currency may not be easily transferred to our customers. Nonetheless, we are actively seeking to improve our products and offerings to our customers.

The Proposed Acquisition of Worldwide and Proposed Acquisition of Kit Technology were completed on 2 September 2022 and 19 September 2022 respectively. Both acquisitions will contribute to our Group positively, not just financially but also in terms of expanding our market share and improving our technology.

**B4. Variance of Actual Profit from Forecast Profit**

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review.

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Unaudited Interim Financial Report for The Fourth (4<sup>th</sup>) Quarter Ended 31 August 2022

**PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

**B5. Income Tax Expense**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 31.08.2022 RM'000	Unaudited Preceding Year Corresponding Quarter 31.08.2021 RM'000	Unaudited Current Year Quarter 31.08.2022 RM'000	Audited Preceding Year Corresponding Quarter 31.08.2021 RM'000
In respect of current period: Income tax expense <sup>(1)</sup>	560	382	2,430	2,245
Effective tax rate (%)	32.79	25.95	48.81	26.32
Adjusted effective tax rate (%) <sup>(2)</sup>	32.79	18.30	26.26	25.55
Statutory tax rate (%)	24.00	24.00	24.00	24.00

**Notes:**

- (1) Income tax expenses is recognised based on management's best estimate.
- (2) The Group's effective tax rate for the current financial quarter and financial year to date is higher than statutory tax rates due to non-deductible expenses such as listing expenses.

**B6. Status of Corporate Proposals**

Save as disclosed in A11 and below, there were no corporate proposals undertaken but not completed as at the date of this interim financial report.

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**PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

**B7. Utilisation of Proceeds from IPO**

As at 31 August 2022, the utilisation of proceeds are summarised as follows:

<b>Details of Utilisation</b>	<b>Estimated Timeframe for the Utilisation Upon Listing</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Unutilised Amount RM'000</b>
Acquisition of factory for Hotstar	24 months	8,800	8,800	-
Capital expenditure comprising :				
• Purchase of new machineries	24 months	3,000	-	3,000
• Upgrade and development of computer softwares and server	24 months	1,300	-	1,300
Repayment of bank borrowings	6 months	4,000	4,000	-
Marketing activities	24 months	1,500	81	1,419
General working capital	24 months	2,683	2,683	-
Estimated listing expenses	Immediately	3,000	3,000	-
<b>Total</b>		<b>24,283</b>	<b>18,564</b>	<b>5,719</b>

From the date of listing of the Company on the ACE Market of Bursa Securities on 29 September 2021, the utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company dated 6 September 2021.

**B8. Loan and Borrowings**

	<b>Unaudited As at 31.08.2022 RM'000</b>	<b>Audited As at 31.08.2021 RM'000</b>
<b>Current</b>		
Lease liabilities	512	470
Term loans	1,050	663
	<b>1,562</b>	<b>1,133</b>
<b>Non-current</b>		
Lease liabilities	532	846
Term loans	12,908	10,620
	<b>13,440</b>	<b>11,466</b>

The bank borrowings are secured and denominated in Ringgit Malaysia.





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**PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

**B9. Material Litigation**

There were no material litigation involving the Group as at 31 August 2022.

**B10. Dividend**

On 11 March 2022, the Board of Directors declared an interim single tier dividend of RM0.01 per ordinary share amounting to RM1,945,730 for the financial year ending 31 August 2022, has been paid on 15 April 2022 to the shareholders of the Company whose names appear in the Record of Depositors on 28 March 2022.

On 9 August 2022, the Board of Directors declared an interim single tier dividend of RM0.01 per ordinary share amounting to RM1,945,730 for the financial year ending 31 August 2022, has been paid on 22 September 2022 to the shareholders of the Company whose names appear in the Record of Depositors on 25 August 2022.

**B11. Earnings Per Share ("EPS")**

The basic and diluted EPS for the current financial quarter and financial year-to-date are computed as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 31.08.2022 RM'000	Unaudited Preceding Year Corresponding Quarter 31.08.2021 RM'000	Unaudited Current Year Quarter 31.08.2022 RM'000	Audited Preceding Year Corresponding Quarter 31.08.2021 RM'000
Profit attributable to the Owner of the Company	1,148	1,090	4,901	6,284
Number of ordinary shares	194,573	143,983	194,573	143,983
Basic <sup>(1)</sup> EPS (sen)	0.59	0.76	2.52	4.36
Diluted <sup>(2)</sup> EPS (sen)	0.59	0.56	2.52	3.22

**Notes:**

(1) Basic EPS is calculated based on the Company's share capital of 194,573,000 ordinary shares (31 August 2021 : 143,983,000 ordinary shares).

(2) Diluted EPS is calculated based on the Company's share capital of 194,573,000 ordinary shares.

**PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**
**B12. Notes to the Condensed Consolidated Statement of Profit and Other Comprehensive Income**

Profit before tax is arrived after charging/(crediting):

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 31.08.2022 RM'000	Unaudited Preceding Year Corresponding Quarter 31.08.2021 RM'000	Unaudited Current Year Quarter 31.08.2022 RM'000	Audited Preceding Year Corresponding Quarter 31.08.2021 RM'000
Change in fair value of other investment	81	80	81	218
Depreciation of property, plant and equipment	531	569	2,162	2,268
Interest expense	138	105	586	417
Inventories written down due to slow-moving	1	90	1	90
Net impact on impairment (gain)/loss of trade receivables				
- Lifetime expected credit loss allowance	(6)	4	(6)	4
- Specific allowance	-	7	-	7
Property, plant and equipment written off	2	-	2	-
Unrealised loss on foreign exchange	63	77	113	77
Gain on disposal of property, plant and equipment	(17)	(19)	(26)	(19)
Gain on remeasurement of right-to-use assets	-	(59)	-	(63)
Insurance claim	-	-	-	(41)
Interest income	(155)	(17)	(500)	(89)
Investment income	-	(62)	(1)	(272)



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**PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

**B13. Authorisation for Issue**

The interim financial report was authorised for issue by the Board of Directors of the Company in accordance with a resolution passed by the Board of Directors on 25 October 2022.

**BY ORDER OF THE BOARD  
CEKD BERHAD  
25 OCTOBER 2022**