

Cnergenz Berhad

(Registration No. 202101026123 (1426423-D))

(Incorporated in Malaysia under the Companies Act, 2016)

CNERGENZ

The Board of Directors of CNERGENZ BERHAD (“**Board**”) is pleased to announce the following unaudited consolidated results for the first quarter and financial period ended (“**FPE**”) 31 March 2023.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER AND FPE 31 MARCH 2023

	3 months ended		Cumulative 3 months ended	
	31.3.2023 RM'000 (Unaudited)	31.3.2022 RM'000 (Unaudited)	31.3.2023 RM'000 (Unaudited)	31.3.2022 RM'000 (Unaudited)
Revenue	59,934	36,903	59,934	36,903
Cost of sales and services	(49,692)	(29,687)	(49,692)	(29,687)
Gross profit	10,242	7,216	10,242	7,216
Other income	130	63	130	63
Selling and distribution expenses	(565)	(368)	(565)	(368)
General and administrative expenses	(1,557)	(1,963)	(1,557)	(1,963)
Other gain/(losses)– net	581	(71)	581	(71)
Operating profit	8,831	4,877	8,831	4,877
Finance income	827	11	827	11
Finance costs	(14)	(16)	(14)	(16)
Profit before tax	9,644	4,872	9,644	4,872
Tax expense	(2,398)	(1,232)	(2,398)	(1,232)
Net profit for the financial period	7,246	3,640	7,246	3,640
Other comprehensive income net of tax				
Currency translation differences	(252)	665	(252)	665
Total comprehensive income for the financial period	6,994	4,305	6,994	4,305
Basic earnings per ordinary share⁽¹⁾ (sen)	1.50	0.91	1.50	0.91

Notes:-

- (1) Basic earnings per ordinary share is calculated based on the weighted average share capital of the Company as at 31 March 2023, comprising 483,479,452 ordinary shares (31 March 2022, comprising 398,000,000 ordinary shares).

The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

Cnergenz Berhad

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(Incorporated in Malaysia under the Companies Act, 2016)

CNERGENZ**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
31 MARCH 2023**

	As at 31.3.2023 RM'000 (Unaudited)	As at 31.12.2022 RM'000 (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	20,478	20,595
Right-of-use assets	3,018	67
Intangible assets	53	46
Prepayments	-	1,511
	23,549	22,219
CURRENT ASSETS		
Inventories	23,408	20,374
Receivables, deposits and prepayments	78,984	53,442
Investment in quoted shares	1,617	458
Current tax receivable	-	99
Deposits, cash and bank balances	101,755	105,571
	205,764	179,944
TOTAL ASSETS	229,313	202,163
CURRENT LIABILITIES		
Payables and accrued liabilities	64,752	49,506
Contract liabilities	10,409	2,396
Lease liabilities	38	35
Hire purchase liabilities	408	426
Current tax provision	1,190	194
	76,797	52,557
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	122,475	122,475
Capital reorganisation reserves	(65,820)	(65,820)
Currency translation reserves	3,664	3,916
Retained profits	91,130	87,868
TOTAL EQUITY	151,449	148,439
NON-CURRENT LIABILITIES		
Lease liabilities	-	15
Hire purchase liabilities	756	843
Deferred tax liabilities	311	309
	1,067	1,167
TOTAL EQUITY AND LIABILITIES	229,313	202,163
Net assets per ordinary share attributable to ordinary equity holders of the Company ⁽¹⁾ (RM)	0.31	0.31

*Note:-**(1) Net assets per ordinary share attributable to ordinary equity holders of the Company is calculated based on the weighted average share capital of the Company as at 31 March 2023, comprising 483,479,452 ordinary shares.*

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

Cnergenz Berhad

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CNERGENZ**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FPE 31 MARCH 2023**

← Attributable to owners of the Company →

	Share capital RM'000	Capital reorganisation reserve RM'000	Currency translation reserve RM'000	Retained profits RM'000	Total RM'000
Balance as at 1 January 2022	66,020	(65,820)	1,767	69,139	71,106
<u>Total comprehensive income</u>					
Net profit for the financial year	-	-	-	21,717	21,717
Other comprehensive income for the financial year, net of tax	-	-	2,149	-	2,149
<u>Transactions with owners, recognised directly in equity</u>					
Issuance of ordinary shares	58,000	-	-	-	58,000
Share issuance expenses	(1,545)				(1,545)
Dividends				(2,988)	(2,988)
Balance as at 31 December 2022	122,475	(65,820)	3,916	87,868	148,439
Balance as at 1 January 2023	122,475	(65,820)	3,916	87,868	148,439
<u>Total comprehensive income</u>					
Net profit for the financial period	-	-	-	7,246	7,246
Other comprehensive income for the financial period, net of tax	-	-	(252)	-	(252)
<u>Transactions with owners, recognised directly in equity</u>					
Dividends	-	-	-	(3,984)	(3,984)
Balance as at 31 March 2023	122,475	(65,820)	3,664	91,130	151,449

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FPE 31 MARCH 2023**

	3 months ended 31.3.2023 RM'000	3 months ended 31.3.2022 RM'000
OPERATING CASH FLOWS		
Net profit for the financial period	7,246	3,640
Adjustments for:		
Property, plant and equipment (“PPE”):		
- depreciation	623	294
Depreciation of right-of-use assets	22	9
Amortisation of Intangible assets	1	-
Interest income	(827)	(11)
Finance costs	14	16
Fair value losses on derivative financial instruments- forward foreign currency exchange contracts	-	(83)
Net unrealised foreign currency exchange gain	(240)	(16)
Realised foreign currency exchange loss	283	-
Investment in quoted security:		
- fair value (gain)/loss	(624)	118
Tax expense	2,398	1,232
Operating profit before changes in working capital	8,896	5,199
Changes in working capital:		
- Inventories	(3,052)	2,036
- Receivables	(24,474)	(7,552)
- Payables	23,648	4,652
Cash generated from operations	5,018	4,335
Tax paid	(1,381)	(928)
Net operating cash flow	3,637	3,407
INVESTING CASH FLOWS		
Purchases of PPE	(340)	(10,302)
Purchase of intangible assets	(20)	-
Purchase of right-of-use assets	(3,022)	-
Withdrawal of fixed deposits with a licensed bank which have maturity period of more than 3 months	-	2,245
Purchase of quoted security	(548)	-
Interest received	827	11
Net investing cash flow	(3,103)	(8,046)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FPE 31 MARCH 2023**

	3 months ended 31.3.2023 RM'000	3 months ended 31.3.2022 RM'000
FINANCING CASH FLOWS		
Dividend paid	(3,984)	(10,000)
Repayment of principal portion of lease liabilities	(12)	(10)
Repayment of interest on lease liabilities	(1)	(1)
Repayment of principal portion of hire purchase liabilities	(96)	(142)
Repayment of interest on hire purchase liabilities	(13)	(16)
Net cash financing cash flow	(4,106)	(10,169)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,572)	(14,808)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	104,300	56,516
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(253)	451
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	100,475	42,159
Cash and cash equivalents comprise:		
Fixed deposits	97,251	26,632
Cash and bank balances	4,504	15,794
	101,755	42,426
Less: Fixed deposits pledged with licensed banks	(1,280)	(267)
	100,475	42,159

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FIRST QUARTER ENDED 31 MARCH 2023

A COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRS) 134: INTERIM FINANCIAL REPORTING AND THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) (“LISTING REQUIREMENTS”)

A1 Basis of preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with all the new Malaysian Financial Reporting Standards (“**MFRS**”) and Amendments to MFRSs issued by the Malaysian Accounting Standards Board (“**MASB**”) and Rule 9.22 and Appendix 9B of the Listing Requirements.

The unaudited condensed consolidated interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements. The explanatory notes attached to these unaudited condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of Cnergenz Berhad and its subsidiaries (“**Group**”) since the FYE 31 December 2022.

A2 Significant Accounting Policies

The accounting policies adopted by the Group in these condensed consolidated interim financial statements are consistent with those adopted in the Audited Financial Statement for the financial year ended 31 December 2022, save for the adoption of the following amendments to MFRS, which became effective and relevant to the Group for financial period beginning 1 January 2023:

Effective for annual periods commencing on or after 1 January 2023

Amendments to MFRS 101 ‘Presentation of Financial Statements’ and MFRS Practice Statement 2 on ‘Disclosure of Accounting Policies’

Amendments to MFRS 108 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ on ‘Definition of Accounting Estimates’

Amendments to MFRS 112 ‘Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction’

The adoption of the above amendments to MFRSs did not have any material impact on the amounts reported in the financial statements of the Group and of the Company upon its initial application.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FIRST QUARTER ENDED 31 MARCH 2023**

New Standards and amendments to MFRSs in issue but not yet effective

At the date of authorisation for issue of these financial statements, the new and amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group and by the Company are as listed below:

Effective for annual periods commencing on or after 1 January 2024

Amendments to MFRS 101 'Classification of Liabilities as Current or Non-current Liabilities and Deferral of Effective Date (2021 Amendments)' and 'Non-current Liabilities with Covenants' (2022 Amendments)

Amendments to MFRS 16 'Leases' on 'Lease Liability in a Sale and Leaseback'

Issued but not yet effective

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The adoption of these amendments to MFRSs are not expected to have any material financial impact on the financial statements of the Group in the period of initial application.

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements of the Group for the FYE 31 December 2022 was not subject to any qualification.

A4 Seasonality

The Group's business operations were not significantly affected by any seasonal or cyclical factors.

A5 Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence

There were no material unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter.

A6 Changes in Debt and Equity Securities

There was no issuance, cancellations, repurchases, resale or repayments of debt and equity securities during the current financial quarter.

A7 Dividends paid

The second interim tax exempt (single tier) dividend of 0.8 sen per ordinary share for the financial year ended 31 December 2022 amounting to approximately RM3.98 million was declared on 23 February 2023 and paid on 22 March 2023.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FIRST QUARTER ENDED 31 MARCH 2023****A8 Operating segments**

The Group only has one operating segment qualified as reporting segment under MFRS 8.

A9 Revenue by products / services

The breakdown of the Group's revenue by products/services is set out as follows:

	3 months ended		Cumulative 3 months ended	
	31.3.2023 RM'000	31.3.2022 RM'000	31.3.2023 RM'000	31.3.2022 RM'000
Provision of integrated solutions for SMT manufacturing line	40,888	11,501	40,888	11,501
Sales of standalone SMT machines and equipment	17,282	22,470	17,282	22,470
Provision of other services	1,764	2,932	1,764	2,932
Total	59,934	36,903	59,934	36,903

The major contributor to the revenue stream of the Group for the first quarter was from the sales of provision of integrated solutions for SMT manufacturing line, which constituted 68.22% of the Group's total revenue for FPE 31 March 2023, recording sales totalling RM40.89 million.

The Group's total revenue increased by 62.41% from RM36.90 million in the FPE 31 March 2022 to RM59.93 million in the FPE 31 March 2023, primarily attributed to increased sales from the Group's sales of provision of integrated solutions for SMT manufacturing line.

A10 Valuation of Plant and Equipment

There were no valuations of plant and equipment during the current financial quarter under review.

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C N E R G E N Z**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FIRST QUARTER ENDED 31 MARCH 2023**

A11 Material capital commitments

There were no material capital commitments during the current financial quarter under review.

A12 Material subsequent event

There were no material subsequent events since the end of this current financial quarter until the date of this announcement.

A13 Changes in the Composition of the GroupIncorporation of new subsidiary

On 20 March 2023, the Company incorporated a new wholly-owned subsidiary, Cnergenz Technology Sdn. Bhd. with the intention to undertake the design and fabrication of modules and parts for tools, material handling, robotic and automation equipment; software programming, information technology and software provider, research and development on engineering, information technology and manufacturing of automation machinery and parts; and assembly of equipment and modules.

A14 Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets as at the date of the current financial quarter.

A15 Material related party transactions

There were no material related party transactions during the current financial quarter under review.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FIRST QUARTER ENDED 31 MARCH 2023****B COMPLIANCE WITH APPENDIX 9B OF THE LISTING REQUIREMENTS****B1 Review of Performance**

	Individual Period (1 st Quarter)				Cumulative Period (3 Months)			
	Current Year Quarter 31 March 2023	Preceding Year Corresponding Quarter 31 March 2022	Variance		Current Year-to-date 31 March 2023	Preceding Year Corresponding Period 31 March 2022	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	59,934	36,903	23,031	62.41	59,934	36,903	23,031	62.41
Gross Profit	10,242	7,216	3,026	41.93	10,242	7,216	3,026	41.93
Profit Before Tax	9,644	4,872	4,772	97.95	9,644	4,872	4,772	97.95

The Group recorded revenue of RM59.93 million for the current FPE 31 March 2023, which represents an increase of 62.41% compared to RM36.90 million recorded in the preceding FPE 31 March 2022. Such increase was primarily attributed to increased sales of provision of integrated solutions for SMT manufacturing line, attributed to higher purchase orders from our customers in Thailand.

In line with the factors above, the Group registered a profit before tax of RM9.64 million in the FPE 31 March 2023, which represents an increase of 97.95% compared to RM4.87 million recorded in the preceding FPE 31 March 2022.

B2 Comment on material change in profit before taxation for current quarter compared with the immediately preceding quarter

	Current Quarter 31 March 2023	Immediate Preceding Quarter 31 December 2022	Variance	
	RM'000	RM'000	RM'000	%
Revenue	59,934	40,634	19,300	47.50
Gross Profit	10,242	3,834	6,408	167.14
Gross Profit Margin	17.09%	9.44%		
Profit Before Tax	9,644	2,740	6,904	251.97

The Group recorded an increase in revenue to RM59.93 million compared to RM40.63 million recorded in the immediate preceding quarter. This was mainly due to the increase in sales of provision of integrated solutions for SMT manufacturing line during current quarter under review, in particular, higher purchase orders secured from our customers in Thailand.

The Group recorded gross profit of RM10.24 million for the current FPE 31 March 2023, translating to a gross profit margin of 17.09%.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FIRST QUARTER ENDED 31 MARCH 2023**

B3 Prospects

As disclosed in the Prospectus dated 29 April 2022, the SMT manufacturing solutions industry in Southeast Asia is expected to recover and register a compound annual growth rate (“**CAGR**”) of 8.0% between years 2022 to 2024, driven by, amongst others, the following factors:-

- (a) emergence of a new wave of final electronic products to allow for technologies such as smart factories, autonomous cars and smart home devices as a result of technological revolution;
- (b) rapid technological advancements in the electronics and semiconductor industries (“**E&S Industry(ies)**”) as there are constant introductions of new products due to advancements and innovations; and
- (c) shift towards smart factories to fully automate operations will create demand for electronics manufacturing solutions that enable smart factories.

Further, the industry size for SMT manufacturing solutions in Malaysia, Vietnam and Thailand, where Cnergenz presently operates, are forecasted to grow at CAGRs of 7.2%, 8.0% and 8.0%, respectively, between years 2022 to 2024. This is mainly driven by the adoption of smart factory solutions by global and regional E&S industries as many corporations aim to achieve higher production yield, minimise human dependency, optimise resource allocation and enhance cost competitiveness. Given the rising demand for such operational requirements and aspirations, our Group is in a better position to capitalize on such opportunities by leveraging on our core competitive strengths and our existing established market presence in the smart factory solutions segments.

We also expect the growth trend in electronics manufacturing industry in South East Asia to continue given the existing trade diversion from China to South East Asia. We also believe that upgrading of our service offerings and continued investments in our operations will enable us to benefit from the current positive outlook of the electronics manufacturing industry in Southeast Asia, particularly Malaysia, Vietnam and Thailand. Notwithstanding the above, our Group remains cautious and will continue to closely monitor the business environment in view of the uncertainties plaguing the global economy.

As of 31 March 2023, the Group has secured purchase orders totalling RM51.72 million for our integrated solutions and sale of individual machinery, equipment and tools, which are expected to be fulfilled by this financial year.

B4 Variance between Actual Profit and Forecast Profit

The Group has not provided any profit forecast in any public documents or announcements.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FIRST QUARTER ENDED 31 MARCH 2023****B5 Taxation**

	3 months ended		Cumulative 3 months ended	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	RM'000	RM'000	RM'000	RM'000
Current tax	2,398	1,232	2,398	1,232
Deferred tax	-	-	-	-
Total	2,398	1,232	2,398	1,232
Effective tax rate (%)	24.87	25.29	24.87	25.29
Statutory tax rate (%)	24.00	24.00	24.00	24.00

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit before tax for the current financial quarter and current financial period-to-date.

The effective tax rates of the Group for the current financial quarter and current financial period-to-date are higher than the Malaysia statutory tax rate mainly due to certain non-deductible expenses.

B6 Unquoted investments and properties

There were no purchases or sales of unquoted investment or properties for the current financial quarter.

B7 Quoted securities

- (a) The net purchase of investments in quoted securities by the Group for the current financial quarter and financial period-to-date under review are as follows:-

	3 months ended		Cumulative 3 months ended	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	RM'000	RM'000	RM'000	RM'000
Total net purchase of investments in quoted securities	548	-	548	-

- (b) The details of investments in quoted securities as at the end of the current financial quarter are set out as below:-

Total investments at cost	888
Total investments at carrying value	1,617
Total investments at market value	1,617

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FIRST QUARTER ENDED 31 MARCH 2023**

B8 Status of Corporate Proposals

Save as disclosed below, there are no other corporate proposals announced but pending completion as at the date of this report:-

(a) land acquisition; and

On 17 August 2022, the Board announced that its wholly owned subsidiary, SiP Technology (M) Sdn Bhd (“**SIP**”) had entered into a conditional sale and purchase agreement (“**SPA**”) with the Penang Development Corporation (“**PDC**”) for the proposed acquisition of all that piece of land situated in Daerah Seberang Perai Tengah and forming part of Mukim 13, the site whereof is marked as Plot 31 Penang Science Park North (“**Land**”) for a total purchase price of RM3,022,410.50. The duly executed and stamped SPA dated 13 July 2022 was received by the Board on 17 August 2022. SIP has paid the first 20% of the purchase price of RM604,482.10 to PDC on 8 July 2022 and 30% of the purchase price of RM906,723.15 to PDC on 3 November 2022.

On 20 January 2023, SIP has paid the remaining balance purchase price of RM1,511,205.25 to the PDC pursuant to the SPA and following which, the PDC delivered the vacant possession of the Land to SIP on 30 January 2023, marking the completion of the land acquisition.

(b) employees’ share option scheme

On 7 April 2023, UOB Kay Hian (M) Sdn Bhd (“**UOBKH**”) had, on behalf of the Board, announced that the Company proposes to establish an employees’ share option scheme (“**ESOS**”) of up to 10% of the total number of issued ordinary shares in Cnergenz (“**Cnergenz Shares**”) (excluding treasury shares, if any) at any point in time throughout the duration of the ESOS to the eligible Directors and employees of Cnergenz Group (“**Proposed ESOS**”).

On 26 April 2023, UOBKH had, on behalf of the Board, announced that Bursa Securities had vide its letter on even date, approved the listing of and quotation for such number of new Cnergenz Shares, representing up to 10% of the total number of issued Cnergenz Shares (excluding treasury shares, if any), to be issued pursuant to the exercise of the ESOS options under the Proposed ESOS, subject to the following conditions:-

- i. UOBKH is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Rule 6.44(1) of the Listing Requirements and stating the effective date of implementation;
- ii. UOBKH is required to submit a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed ESOS; and
- iii. Cnergenz is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the Proposed ESOS, as at the end of each quarter together with a detailed computation of listing fees payable.

Subsequently, the Company has obtained its shareholders’ approval on the Proposed ESOS at an extraordinary general meeting held on 24 May 2023.

Barring any unforeseen circumstances, the Proposed ESOS is expected to be implemented by the 3rd quarter of 2023.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FIRST QUARTER ENDED 31 MARCH 2023****B9 Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk as at the end of current financial quarter to the date of the interim financial report.

B10 Material Litigation

As at the date of this report, there is no litigation against the Group which has a material effect on the financial position of the Group and the Board is not aware of any material litigation or any proceedings pending or threatened or of any fact likely to give rise to any proceedings.

B11 Earnings Per Share (“EPS”)

	3 months ended		Cumulative 3 months ended	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
Profit attributable to owners of the Company (RM'000)	7,246	3,640	7,246	3,640
Weighted average number of ordinary shares in issue ('000)	483,479	398,000	483,479	398,000
Basic EPS ⁽¹⁾ (sen)	1.50	0.91	1.50	0.91

Note:-

(1) For comparative purposes, basic earnings per ordinary share is calculated based on the weighted average share capital of the Company as at 31 March 2023, comprising 483,479,452 ordinary shares (31 March 2022, comprising 398,000,000 ordinary shares).

There are no dilutive instruments as at the end of the current financial quarter.

B12 Notes to the Statement of Comprehensive Income

	3 months ended		Cumulative 3 months ended	
	31.3.2023 RM'000	31.3.2022 RM'000	31.3.2023 RM'000	31.3.2022 RM'000
The following items have been charged / (credited) in arriving profit from operations:				
Employee benefit costs	1,818	1,927	1,818	1,927
Director's fee	68	68	68	68
Depreciation of property, plant and equipment	623	294	635	294
Depreciation of right-of-use assets	22	9	10	9
Rental income	(130)	(63)	(130)	(63)
Professional fees	83	181	83	181
Short-term lease payment on office premises	13	20	13	20

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FIRST QUARTER ENDED 31 MARCH 2023****B13 Utilisation of Proceeds Raised from the IPO**

The status of utilisation of the gross proceeds arising from the IPO amounting to RM58.0 million are set out as follows:

Details of use	Proposed Utilisation		Estimated Timeframe for Utilisation	Actual Utilisation as at 31 March 2023 RM'000	Balance as at 31 March 2023 RM'000
	RM'000	(%)			
1. Expansion of the Group's facility	37,800	65.17	Within 24 months	1,514	36,286
2. Research and development expenditure	6,000	10.35	Within 24 months	1,226	4,774
3. Working capital	10,000	17.24	Within 12 months	3,429	6,571
4. Estimated listing expenses	4,200	7.24	Within 3 months	4,200	-
	58,000	100.00		10,369	47,631

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 29 April 2022.

B14 Dividend

The second interim tax exempt (single tier) dividend of 0.8 sen per ordinary share for the financial year ended 31 December 2022 amounting to approximately RM3.98 million was declared on 23 February 2023 and paid on 22 March 2023.

B15 Authorisation

The interim financial report was authorised for announcement by the Board in accordance with a resolution of the Board.