

**EDELTEQ HOLDINGS BERHAD**

Registration No. 201901033362 (1342692-X)

(Incorporated in Malaysia)


**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER  
 COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024<sup>(1)</sup>**

	Individual Quarter		Cumulative Quarter	
	30.9.2024 RM'000	30.9.2023 RM'000	30.9.2024 RM'000	30.9.2023 RM'000
Revenue	4,884	4,877	18,621	20,903
Cost of sales	(2,246)	(2,427)	(9,347)	(11,126)
<b>Gross profit</b>	<b>2,638</b>	<b>2,450</b>	<b>9,274</b>	<b>9,777</b>
Other income	117	4	427	219
Administrative expenses	(1,893)	(1,435)	(4,868)	(4,328)
Selling and distribution expenses	(105)	(76)	(350)	(215)
<b>Operating profit</b>	<b>757</b>	<b>943</b>	<b>4,483</b>	<b>5,453</b>
Finance income	175	212	534	302
Finance cost	(17)	(44)	(54)	(134)
<b>Profit before tax</b>	<b>915</b>	<b>1,111</b>	<b>4,963</b>	<b>5,621</b>
Taxation	(301)	(410)	(1,711)	(1,772)
<b>Net profit, representing total comprehensive income for the financial period</b>	<b>614</b>	<b>701</b>	<b>3,252</b>	<b>3,849</b>
Profit / Total comprehensive income attributable to :				
Owner of the Company	545	701	3,101	3,849
Non-controlling interests	69	-	151	-
	<u>614</u>	<u>701</u>	<u>3,252</u>	<u>3,849</u>
<b>Basic/diluted earnings per ordinary share<sup>(2)</sup> (sen)</b>	<b>0.12</b>	<b>0.13</b>	<b>0.61</b>	<b>0.72</b>

**Notes:**

1. The basis of the preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report and the accompanying explanatory notes attached to this condensed interim financial report.
2. Basic and diluted earnings per share ("EPS") is calculated based on the Company's enlarged share capital of 532,535,630 shares pursuant to the completion of the Initial Public Offering ("IPO") of the Company. Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the financial quarter under review.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2024<sup>(1)</sup>**

	Unaudited As at 30.9.2024 RM'000	Audited As at 31.12.2023 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	22,461	15,152
Investment property	3,101	3,206
Right-of-use assets	-	125
Development costs	1,084	567
	<b>26,646</b>	<b>19,050</b>
<b>Current assets</b>		
Inventories	2,144	2,637
Trade receivables	5,844	4,155
Other receivables, deposits and prepayments	1,411	1,170
Current tax recoverable	204	386
Short term investments	17,491	21,905
Cash and bank balances	3,929	6,995
	<b>31,023</b>	<b>37,248</b>
	<b>57,669</b>	<b>56,298</b>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	38,056	38,056
Merger reserve	(12,672)	(12,672)
Reserve	23,738	20,637
	<b>49,122</b>	<b>46,021</b>
<b>Equity attributable to owners of the Company</b>	<b>49,122</b>	<b>46,021</b>
Non-controlling interests	151	-
	<b>49,273</b>	<b>46,021</b>
<b>Non-current liabilities</b>		
Lease liabilities	-	11
Borrowings	3,299	3,236
Deferred tax liabilities	322	58
	<b>3,621</b>	<b>3,305</b>
<b>Current liabilities</b>		
Trade payables	1,427	1,359
Other payables and accruals	2,712	2,588
Contract liabilities	441	2,092
Refund liabilities	98	98
Lease liabilities	-	131
Borrowings	97	471
Current tax payable	-	233
	<b>4,775</b>	<b>6,972</b>
	<b>8,396</b>	<b>10,277</b>
	<b>57,669</b>	<b>56,298</b>
	<b>57,669</b>	<b>56,298</b>
Net assets per share <sup>(2)</sup> (RM)	<b>0.09</b>	<b>0.09</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2024<sup>(1)</sup> (CONT'D)**

**Notes:**

1. The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report and the accompanying explanatory notes attached to this condensed interim financial report.
2. Calculated based on net assets attributable to owners of the Company divided by the Company's enlarged share capital of 532,535,630 shares pursuant to the completion of the IPO of the Company.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 <sup>(1)</sup>**

	----- Non-distributable -----			Distributable		Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Invested Equity RM'000	Merger Reserve RM'000	Retained Profits RM'000	Total RM'000		
Balance as at 1 January 2023	1,020	1,447	-	16,601	19,068	-	19,068
Total comprehensive income for the financial year	-	-	-	4,036	4,036	-	4,036
<i>Transaction with owners of the Company:</i>							
<i>Adjustment on the acquisition of subsidiaries</i>							
Issuance of shares pursuant to :	-	(1,447)	1,447	-	-	-	-
- acquisition of subsidiaries	14,119	-	(14,119)	-	-	-	-
- IPO	24,000	-	-	-	24,000	-	24,000
Shares issuance expenses	(1,083)	-	-	-	(1,083)	-	(1,083)
Total transactions with owners	37,036	(1,447)	(12,672)	-	22,917	-	22,917
<b>Balance as at 31 December 2023/ 1 January 2024</b>	<b>38,056</b>	<b>-</b>	<b>(12,672)</b>	<b>20,637</b>	<b>46,021</b>	<b>-</b>	<b>46,021</b>
Net profit, representing total comprehensive income for the financial period	-	-	-	3,101	3,101	151	3,252
<b>Balance as at 30 September 2024</b>	<b>38,056</b>	<b>-</b>	<b>(12,672)</b>	<b>23,738</b>	<b>49,122</b>	<b>151</b>	<b>49,273</b>

**Note:**

- The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024<sup>(1)</sup>**

	Unaudited Current Year-to-date 30.9.2024 RM'000	Unaudited Preceding Corresponding Year-to-date 30.09.2023 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,963	5,621
Adjustments for:		
Accretion of interest on lease liabilities	4	9
Depreciation of:		
- property, plant and equipment	433	212
- investment property	25	24
- right-of-use assets	67	86
Dividend income from other investments	(440)	(118)
Gain on derecognition right-of-use assets	(19)	-
Gain on disposal of subsidiaries	(42)	-
Interest expenses	51	125
Interest income	(95)	(184)
Property, plant and equipment written off	135	13
Unrealised gain on forex exchange	(90)	-
<b>Operating profit before working capital changes</b>	<b>4,992</b>	<b>5,788</b>
Changes in:		
Inventories	492	1,356
Receivables	(1,929)	2,336
Payables	191	2,500
Development cost	(517)	(483)
Contract liabilities	(1,651)	(1,033)
<b>Net cash generated from operations</b>	<b>1,578</b>	<b>10,464</b>
Income tax paid	(1,579)	(583)
Income tax refunded	134	2
Interest paid	(51)	(125)
<b>Net cash from operating activities</b>	<b>82</b>	<b>9,758</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend received	440	118
Interest received	95	184
Purchase of other investments	-	(24,118)
Disposal of other investment	4,414	-
Purchase of property, plant and equipment	(7,800)	(5,607)
<b>Net cash used in investing activities</b>	<b>(2,851)</b>	<b>(29,423)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of ordinary shares, net	-	22,917
Proceeds from term loans	2,610	-
Repayment of hire purchase	(163)	(67)
Repayment of term loans	(2,764)	(172)
Repayment of lease liabilities	(70)	(90)
<b>Net cash (used in)/from financing activities</b>	<b>(387)</b>	<b>22,588</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,156)</b>	<b>2,923</b>
Effect in unrealised gain on forex exchange	90	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<b>6,995</b>	<b>6,238</b>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b>3,929</b>	<b>9,161</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024<sup>(1)</sup> (CONT'D)**

**Notes:**

1. The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

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**A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS 134”), INTERIM FINANCIAL REPORT**

**A1. BASIS OF PREPARATION**

The interim financial report of Edeltec and its subsidiaries (collectively, the “Group”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 and Appendix 9B of the Listing Requirements.

This interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report and the accompanying explanatory notes attached to this condensed interim financial report.

**A2. CHANGES IN ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report except for the adoption of the following amendments/improvements to MFRSs, which are issued by the MASB but are not yet effective for the Group:

<b>Title</b>	<b>Effective Date</b>
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7, The Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 1*, MFRS 7 MFRS 9, MFRS 10 and MFRS 107 First -time Adoption of Malaysian Financial Reporting Standards, Finance Instruments: Disclosures, Financial Instruments, Consolidated Financial Statements and Statements of Cash Flow.	1 January 2026
MFRS 18, Presentation and Disclosure in Financial Statements Amendments to MFRS 19, Subsidiaries without Public Accountability: Disclosures	1 January 2027
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	Deferred

The initial application of the above standards is not expected to have any material impacts to the condensed consolidated financial statements of the Group upon adoption.

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 (CONT'D)**

**A3. AUDITORS' REPORT**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2023.

**A4. SEASONAL OR CYCLICAL FACTORS**

The business operations of the Group were not affected by any seasonal or cyclical trend during the current financial quarter under review.

**A5. MATERIAL UNUSUAL ITEMS**

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

**A6. MATERIAL CHANGES IN ESTIMATES**

There were no changes in estimates that have a material effect on the Group in the current financial quarter under review.

**A7. DEBT AND EQUITY SECURITIES**

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter under review.

**A8. DIVIDEND PAID**

There was no dividend paid during the current financial quarter under review.

**A9. SEGMENTAL INFORMATION**

The Group's revenue is segmented as follows:

	Individual Quarter		Cumulative Quarter	
	30.9.2024 RM'000	30.9.2023 RM'000	30.9.2024 RM'000	30.9.2023 RM'000
<b><u>Business activities</u></b>				
Design and assembly of integrated circuit ("IC") burn-in boards and supply of printed circuit boards ("PCBs") ("B&P")	1,601	1,845	5,796	5,742
Supply and refurbishment of IC assembly and test consumables ("C&T")	1,773	1,228	5,134	4,958
Design, development and assembly of automated test equipment and factory automation ("ATE")	1,455	1,378	6,965	9,648
Trading of operating supplies, spare parts and tools for IC assembly and testing ("TRD")	55	426	726	555
<b>Total</b>	<b>4,884</b>	<b>4,877</b>	<b>18,621</b>	<b>20,903</b>



**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 (CONT'D)**

**A9. SEGMENTAL INFORMATION (CONT'D)**

<u>Geographical markets</u>				
<b>Malaysia</b>	3,308	3,432	11,842	11,952
<b>Overseas:</b>				
- Singapore	1,108	1,438	6,305	5,645
- Thailand	436	7	442	28
- United States	32	-	32	3,278
<b>Total</b>	<b>4,884</b>	<b>4,877</b>	<b>18,621</b>	<b>20,903</b>

**A10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE QUARTER**

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.

**A11. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no other changes in the composition of the Group during the current financial quarter under review.

**A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities or contingent assets as at the date of this interim financial report.

**A13. MATERIAL CAPITAL COMMITMENT**

	<b>Unaudited 30.9.2024 RM'000</b>	<b>Audited 31.12.2023 RM'000</b>
<b><u>Authorised and contracted for:</u></b>		
Factory	344	3,598

Save as disclosed above, there are no any other material capital commitments as at the date of this interim financial report.

**A14. SIGNIFICANT RELATED PARTY TRANSACTIONS**

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

**A15. DERIVATIVE FINANCIAL INSTRUMENTS**

There were no outstanding derivative financial instruments as at the end of the current financial quarter under review.

**A16. FAIR VALUE OF FINANCIAL LIABILITIES**

There were no gains or losses arising from fair value changes in the Group's financial liabilities for the current financial quarter under review.

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 (CONT'D)**

**B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS**

**B1. REVIEW OF PERFORMANCE**

	Individual Quarter		Cumulative Quarter	
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	4,884	4,877	18,621	20,903
Profit before tax ("PBT")	915	1,111	4,963	5,621

In the current financial quarter under review, the Group's revenue remained relatively consistent with the corresponding quarter of the preceding year. This growth in C&T and ATE segments was partially offset by the decrease in revenue from B&P and TRD segments. The C&T segment as well as the B&P segment, are the two major revenue contributors to the Group, which contributed more than 69% to the Group's overall revenue in the present financial quarter under review.

The Group's PBT decreased by RM0.19 million from RM1.11 million in the preceding year's corresponding quarter to RM0.92 million in the current quarter under review which are attributed to the increase in administrative expenses for the financial quarter under review.

**B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER**

	Current	Immediate
	Quarter	Preceding
	30.9.2024	Quarter
	RM'000	30.6.2024
		RM'000
Revenue	4,884	5,877
Profit before tax	915	1,325

The Group's revenue decreased by RM1.00 million or 17.01% to RM4.88 million as compared to RM5.88 million for the immediate preceding quarter. This was primarily a result of a decreased quantity of PCBs deliveries and slow demand from customers.

The Group's PBT decreased by approximately RM0.41 million or 30.83% from RM1.33 million in the preceding quarter to RM0.92 million in the current quarter under review. The decrease in Group's PBT is mainly due to lower revenue recorded while continue to incur consistent fixed costs as compared to the immediate preceding quarter.

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 (CONT'D)**

**B3. PROSPECTS OF THE GROUP**

The highly anticipated global semiconductor industry recovery is making much slower progress than expected. Selective segments like generative artificial intelligence and memory are leading the gradual ramp up in production but other segments like mobile appliances and networking devices are giving mixed signals in regard to the forecast in the 4<sup>th</sup> Quarter of FY2024 and 1<sup>st</sup> half of FY2025.

As the industry is still in the process of adjusting from excess inventory, most customers are prudent in capital expenditure. We are cautiously optimistic that our Semiconductor Consumables & Materials segment (“C&T”, “B&P” and “TRD”) is able to experience sustained growth for year 2024 underpinned by cost savings and localization initiatives by major multinational corporations to lower their IC assembly and test operation costs.

For the Semiconductor Equipment & Automation segment (“ATE”), we aim to continue growing our wafer level auto optical inspection capability and product offering. We are convinced that by offering a wider range of wafer-related auto optical inspection machines, it will enhance our ability to gain potential new customers while also benefiting from our existing customer base.

Looking ahead, the Group is cognizant of the future opportunities and challenges in the semiconductor industry. We are firmly committed to our long-term strategies, focusing on diversification through the introduction of highly sophisticated products, enhancing operational efficiency, and expanding market presence including diversification of core products, value-add services and developing a comprehensive medium and long-term growth plan in tandem with the changing of the semiconductor landscape in the regions.

Moving forward, the Group will continue to focus on growing its market share and working toward achieving its management agenda and financial targets for the year 2024, barring any unforeseen circumstances.

**B4. PROFIT FORECAST**

The Group did not issue any profit estimate, forecast, projection or internal targets in any public document.

**B5. TAXATION**

	Individual Quarter		Cumulative Quarter	
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
	RM'000	RM'000	RM'000	RM'000
Current taxation	251	376	1,455	1,722
Deferred taxation	50	34	256	50
<b>Total</b>	<b>301</b>	<b>410</b>	<b>1,711</b>	<b>1,772</b>
<b>Effective tax rate (%)</b>	<b>32.90</b>	<b>36.90</b>	<b>34.47</b>	<b>31.52</b>

The effective tax rate of the Group for the cumulative quarter is higher than the statutory income tax rate due to recognition of deferred tax, provisions of tax liability and non-deductible expenses during the current quarter under review.

As a result of the pre-IPO restructuring exercise, ETSB, one of the subsidiaries lost its pioneer status due to the non-fulfilment of a condition imposed by MIDA. The Company has submitted the appeal to MIDA, pending the issuance of the new Pioneer Status Certificate as of the drafting date of this report.

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 (CONT'D)**

**B6. STATUS OF CORPORATE PROPOSALS**

On 10 June 2024, the Company announced the following proposed acquisitions of properties:

- i. Edeltech Technologies Sdn Bhd ("**ETSB**"), a wholly-owned subsidiary of Edeltech had on 10 June 2024 entered into a conditional sale and purchase agreement with Greentech Construction Sdn Bhd ("**GCSB**" or the "**Vendor I**") for the proposed acquisition by ETSB of a unit of four (4) storey semi-detached factory held under Hakmilik Geran No. 174925, Lot No. 20744, Mukim 14, Daerah Seberang Perai Selatan, Negeri Pulau Pinang and bearing assessment address of No. 16, Jalan Perniagaan Vorteks 4, Pusat Perniagaan Vorteks, 14100 Simpang Ampat, Pulau Pinang for a purchase consideration of RM2,900,000 to be satisfied entirely via cash; and
- ii. Edeltech Ventures Sdn Bhd ("**EVSB**"), a 70%-owned subsidiary of Edeltech had, on 10 June 2024 entered into a conditional sale and purchase agreement with Grand-Flo Resources Sdn Bhd ("**GFRSB**" or the "**Vendor II**") for the proposed acquisition by EVSB of a unit of four (4) storey semi-detached factory held under Hakmilik Geran No. 174926, Lot No. 20745, Mukim 14, Daerah Seberang Perai Selatan, Negeri Pulau Pinang and bearing assessment address of No. 12A, Jalan Perniagaan Vorteks 4, Pusat Perniagaan Vorteks, 14100 Simpang Ampat, Pulau Pinang for a purchase consideration of RM2,750,000 to be satisfied entirely via cash.

(Collectively referred to as the "**Proposed Acquisitions**")

The Proposed Acquisitions were completed on 25 October 2024.

**B7. UTILISATION OF PROCEEDS FROM THE IPO**

The gross proceeds from the IPO amounting to RM24.00 million is expected to be utilised in the following manner:

<b>Details of utilisation</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Estimated timeframe for utilisation upon listing</b>
Construction of the Proposed Batu Kawan Factory	3,679	3,679	Within 12 months
Repayment of bank borrowings (Proposed Batu Kawan Factory)	10,250	2,000	Within 24 months
Research and development	3,097	647	Within 30 months
Working capital	3,374	1,275	Within 24 months
Estimated listing expenses	3,600	3,600	Within 3 months
<b>Total</b>	<b>24,000</b>	<b>11,201</b>	

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

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 (CONT'D)**

**B8. GROUP BORROWINGS AND DEBT SECURITIES**

The details of the Group's borrowings are as follows:

	<b>Unaudited 30.9.2024 RM'000</b>	<b>Audited 31.12.2023 RM'000</b>
<b>Non-current liabilities</b>		
Hire purchase	723	724
Term loans	2,576	2,512
	<b>3,299</b>	<b>3,236</b>
<b>Current liabilities</b>		
Hire purchase	55	219
Term loans	42	252
	<b>97</b>	<b>471</b>

All the borrowings are secured and denominated in Ringgit Malaysia.

**B9. MATERIAL LITIGATION**

During the financial period of this interim financial report, on 31 July 2023, the Company and five of its subsidiaries were served with a Writ filed by Mi Technovation Berhad and Mi Equipment (M) Sdn Bhd ("**Mi Group**") in the High Court of Pulau Pinang Civil Suit No. PA-22NCC-49-07/2023 ("**the Suit**") against the Company and eight others for inter-alia alleged breach of confidential information, copyright and patent infringement, conspiracy to injure and unlawful interference with trade. On the same day, the Company, its five subsidiaries and two others were also served with an Anton Piller Order ("**APO**") which was granted ex-parte by the Penang High Court on 27 July 2023 (collectively "the Litigation").

The Company and the subsidiaries have engaged lawyers to contest the Litigation. The Company and the subsidiaries have been advised that there are good grounds to contest the Litigation. The Company has also been advised not to disclose the contents of the APO until it is permissible to do so.

The Company and the subsidiaries have filed their Defence and Counterclaim on 20 October 2023. On 13 November 2023, the Company and the subsidiaries were served with an Amended Statement of Claim. The Company and the subsidiaries subsequently filed their Amended Defence and Counterclaim on 8 December 2023.

On 8 November 2023, the Company's subsidiary, Edeltec Ventures Sdn Bhd ("**EVSB**") was served with a Notice of Application dated 1 November 2023 ("**Committal Application**") filed by the Mi Group. The Committal Application alleged that EVSB and 3 others, namely Mr. Chin Yong Keong, Mr. Khong Chee Seong and Mr. Ang Shi Jie had disobeyed the APO and have committed acts of contempt. The Committal Application was filed after Mi Group obtained an ex-parte order from the High Court on 25 October 2023 granting them leave to initiate the Committal Application.

EVSB disputes disobeying the APO. EVSB and the 3 others applied to set aside the ex-parte order granting leave ("**Setting Aside Committal Application**") and opposed the Committal Application. After hearing the Setting Aside Committal Application and the Committal Application, the High Court dismissed both applications with no order as to costs on 25 April 2024.

**NOTES TO THE INTERIM FINANCIAL REPORT  
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 (CONT'D)**

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**B9. MATERIAL LITIGATION (CONT'D)**

On 16 May 2024, Mi Group appealed to the Court of Appeal against the 25 April 2024 decision of the High Court Judge in dismissing the Committal Application. On 17 May 2024, EVSB and the 3 others appealed to the Court of Appeal against the 25 April 2024 decision of the High Court Judge in dismissing the Setting Aside Committal Application. The Registrar of the Court of Appeal has fixed 30 April 2025 for e-Review and 14 May 2025 for hearing of both Mi Group and EVSB and 3 others' appeals.

The Board will make the necessary disclosures with regard to the proceedings and details of the above litigation as and when there are material fresh developments.

**B10. DIVIDEND**

There was no dividend declared or recommended for payment by the Board during the current financial quarter under review.

**B11. BASIC/DILUTED EARNINGS PER SHARE**

The basic and diluted EPS for the current quarter are computed as follows:

	Individual Quarter		Cumulative Quarter	
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	545	701	3,101	3,849
Number of ordinary shares ('000)	532,536	532,536	532,536	532,536
Basic/Diluted EPS (sen) <sup>(1)</sup>	0.10	0.13	0.58	0.72

**Note:**

1. Basic and diluted EPS is calculated based on the Company's enlarged share capital of 532,535,630 shares pursuant to completion of the IPO of the Company. Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the financial quarter under review.

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 (CONT'D)**

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**B12. PROFIT BEFORE TAX**

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

	Individual Quarter		Cumulative Quarter	
	30.9.2024 RM'000	30.9.2023 RM'000	30.9.2024 RM'000	30.9.2023 RM'000
Accretion of interest on lease liabilities	1	3	4	9
Depreciation of:				
- property, plant and equipment	147	84	433	212
- investment property	5	4	25	24
- right-of-use assets	10	29	67	86
Interest expenses:				
- hire purchase	9	2	27	6
- term loans	8	39	24	119
Realised loss on foreign exchange	24	-	76	-
Director remunerations of the:				
- Company	132	244	665	731
- subsidiary	190	72	262	215
Staff costs	557	501	1,980	1,518
Interest income	(69)	(94)	(95)	(184)
Rental income	(85)	(56)	(219)	(168)

Save as disclosed above, the other disclosure items pursuant to Note 16 of Appendix 9B of the Listing Requirements are not applicable.

**B13. AUTHORISATION FOR ISSUE**

The interim financial report was authorized for issue by the Board of Directors on 13 November 2024.