

# **CE TECHNOLOGY BERHAD**

(Incorporated in Malaysia)

Registration No.200201018747 (586410-P)

**Unaudited financial statements for the  
2nd half of financial year ended 31 July 2020**

**CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD  
("BURSA SECURITIES")**

**THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY CE TECHNOLOGY BERHAD ("CET" OR THE "COMPANY"). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.**

**CE TECHNOLOGY BERHAD**  
**(Registration No. 200201018747 (586410-P))**  
**(Incorporated in Malaysia)**

**UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS<sup>(1)</sup>**

	INDIVIDUAL 6 MONTHS		CUMULATIVE PERIOD	
	Current Year 6 Months	Preceding Year Corresponding 6 Months	Current Year To-Date	Preceding Year Corresponding Period
	31.07.2020 RM'000	31.07.2019 RM'000	31.07.2020 RM'000	31.07.2019 RM'000
Revenue	28,724	22,592	49,912	46,484
Cost of sales	(21,267)	(17,845)	(38,697)	(35,789)
Gross profit	7,457	4,747	11,215	10,695
Other income	342	177	557	413
Administrative expenses	(2,678)	(4,125)	(5,352)	(6,371)
Finance costs	(385)	(565)	(678)	(905)
Profit before tax	4,736	234	5,742	3,832
Income tax expense	(951)	(433)	(1,215)	(707)
<b>Total comprehensive income / (loss) for the period</b>	-	-	-	-
Total comprehensive income / (loss) attributable to owners of the Company	3,785	(199)	4,527	3,125
Basic / Diluted earnings / (loss) per share attributable to owners of the Company (sen) <sup>(2)</sup> :	1.09	(0.07)	1.31	1.04

**Notes:**

- (1) The basis of preparation of the Condensed Statements of Profit or Loss are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 July 2019 and the accompanying explanatory notes attached to this interim financial report.
- (2) Earnings per share for the 6-month financial period ended 31 July 2020 is computed based on the Company's issued shares as at the end of the respective reporting period. Diluted earnings per share equals basic earnings per ordinary share as there is no dilutive potential shares outstanding during the financial period.

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**CE TECHNOLOGY BERHAD**  
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**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME<sup>(1)</sup>**

	INDIVIDUAL 6 MONTHS		CUMULATIVE PERIOD	
	Current Year 6 Months	Preceding Year Corresponding 6 Months	Current Year To-Date	Preceding Year Corresponding Period
	31.07.2020 RM'000	31.07.2019 RM'000	31.07.2020 RM'000	31.07.2019 RM'000
Profit / (Loss) after taxation for the period	3,785	(199)	4,527	3,125
Other comprehensive expenses - Foreign currency translation difference	-	-	-	-
Total comprehensive income / (loss) for the period	3,785	(199)	4,527	3,125

**Note:**

- (1) The basis of preparation of the Condensed Statements of Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 July 2019 and the accompanying explanatory notes attached to this interim financial report.

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**CE TECHNOLOGY BERHAD**  
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**CONDENSED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup>**

	<b>Unaudited As at 31.07.2020 RM'000</b>	<b>Audited As at 31.07.2019 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	38,051	43,986
Right-of-use assets	7,323	-
Intangible assets	244	102
	<u>45,618</u>	<u>44,088</u>
<b>Current assets</b>		
Inventories	8,797	11,150
Trade receivables	7,405	4,722
Other receivables, deposits and prepayments	2,196	2,436
Current tax assets	157	-
Cash and bank balances	9,381	9,146
	<u>27,936</u>	<u>27,454</u>
<b>TOTAL ASSETS</b>	<b><u>73,554</u></b>	<b><u>71,542</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	27,186	27,186
Retained profits	25,533	21,713
<b>Total equity attributable to owners of the Company</b>	<b><u>52,719</u></b>	<b><u>48,899</u></b>
<b>Non-current liabilities</b>		
Borrowings	2,857	6,509
Lease liabilities	2,305	-
Deferred tax liabilities	3,644	2,531
	<u>8,806</u>	<u>9,040</u>
<b>Current liabilities</b>		
Trade payables	1,746	3,540
Other payables and accruals	3,709	4,274
Borrowings	5,361	5,688
Lease liabilities	1,213	-
Current tax liabilities	-	101
	<u>12,029</u>	<u>13,603</u>
<b>TOTAL LIABILITIES</b>	<b><u>20,835</u></b>	<b><u>22,643</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>73,554</u></b>	<b><u>71,542</u></b>
Net assets per share <sup>(2)</sup> (RM)	0.15	0.14

**Notes:**

- (1) The basis of preparation of the Condensed Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 July 2019 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is computed based on the Company's total number of issued shares as at the end of the respective financial reporting period.

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

	Non-distributable Share Capital RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
<b><u>Unaudited financial year ended 31 July 2020</u></b>			
Opening balance as at 01.08.2019	27,186	21,713	48,899
Effects of adoption on MFRS 16	-	(15)	(15)
Profit after taxation as at 31.07.2020	-	4,527	4,527
Dividend paid as at 31.07.2020		(692)	(692)
<b>Closing balance as at 31.07.2020</b>	<b>27,186</b>	<b>25,533</b>	<b>52,719</b>
<b><u>Audited financial year ended 31 July 2019</u></b>			
Opening balance as at 01.08.2018	3,677	29,617	33,294
Profit after taxation as at 31.07.2019	-	3,125	3,125
Bonus issue	11,029	(11,029)	-
New shares issued pursuant to listing	12,480	-	12,480
<b>Closing balance as at 31.07.2019</b>	<b>27,186</b>	<b>21,713</b>	<b>48,899</b>

**Note:**

(1) The basis of preparation of the Condensed Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 July 2019 and the accompanying explanatory notes attached to this interim financial report.

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**CE TECHNOLOGY BERHAD**  
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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS<sup>(1)</sup>**

	<b>CUMULATIVE PERIOD</b>	
	<b>Current Period</b>	<b>Comparative</b>
	<b>Ended</b>	<b>Period Ended</b>
	<b>31.07.2020</b>	<b>31.07.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	5,742	3,832
Adjustments for:		
Depreciation	3,360	2,614
Depreciation of right-of-use of assets	623	-
Interest expense	678	905
Interest income	(85)	(33)
Gain on disposal of property, plant and equipment	(14)	-
Property, plant and equipment written off	1	2
Loss on foreign exchange – unrealised	15	18
	<hr/>	<hr/>
Operating profit before changes in working capital	10,320	7,338
(Increase) / decrease in trade and other receivables	(2,481)	1,359
(Decrease) / increase in trade and other payables	(2,350)	1,159
Decrease / (increase) in inventories	2,353	(2,209)
	<hr/>	<hr/>
Cash flows from operations	7,842	7,647
Tax paid	(360)	(452)
Tax refund	-	56
Net cash from operating activities	<hr/>	<hr/>
	7,482	7,251
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(4,592)	(10,282)
Purchase of right-of-use of assets	(139)	(40)
Purchase of intangible assets	(169)	-
Proceeds from sale of property, plant and equipment	59	-
Interest received	86	33
Net cash used in investing activities	<hr/>	<hr/>
	(4,755)	(10,289)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Repayments) / Drawdown of term loan	(516)	302
Repayment bankers' acceptance	(451)	(407)
Repayments of hire purchase	-	(1,801)
Initial public offering proceeds	-	12,480
Interest paid	(678)	(905)
Dividend paid	(692)	-
Repayment of lease liabilities	(1,235)	-
Drawdown of bank overdraft	1,068	-
Net cash used in financing activities	<hr/>	<hr/>
	(2,504)	9,669
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	223	6,631
Cash and cash equivalents at beginning of the financial period	9,146	2,558
Effects of exchange rate on cash and cash equivalents	12	(43)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<hr/>	<hr/>
	9,381	9,146
<b>Cash and cash equivalents comprise:</b>		
Deposits with licensed banks	-	-
Cash and bank balances	10,449	9,146
Bank overdrafts	(1,068)	-
	<hr/>	<hr/>
	9,381	9,146

**Note:**

(1) The basis of preparation of the Condensed Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 July 2019 and the accompanying explanatory notes attached to this interim financial report.

**PART A – EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 6-MONTH FINANCIAL PERIOD ENDED 31 JULY 2020**

**A1 Basis of Preparation**

The interim condensed financial statements of CE Technology Berhad (“CET” or the “Company”) are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 - Interim Financial Reporting as issued by the Malaysian Accounting Standards Board (“MASB”).

The interim financial report should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 July 2019.

**A2 Significant Accounting Policies**

The significant accounting policies and methods of computation adopted by the Company in this interim financial report are consistent with those adopted in the Audited Financial Statements for the financial year ended 31 July 2019, except for the following:

- Amendments to MFRS 3, “Business Combinations” (Annual Improvements to MFRS 2015-2017 cycle)
- Amendments to MFRS 9, “Prepayment Features with Negative Compensation”
- Amendments to MFRS 11, “Joint Arrangements” (Annual Improvements to MFRS 2015-2017 cycle)
- Amendments to MFRS 112, “Income Taxes” (Annual Improvements to MFRS 2015-2017 cycle)
- Amendments to MFRS 123, “Borrowing Costs” (Annual Improvements to MFRS 2015-2017 cycle)
- Amendments to MFRS 128, “Long-term Interests in Associates and Joint Ventures”
- IC Interpretation 23, “Uncertainty over Income Tax Treatments”
- Amendments to MFRS 119, “Plan Amendment, curtailment or settlement.”
- MFRS 16 “Leases”
- Amendment to MFRS 16, “Covid-19-Related Rent Concessions.”

The adoption of the above amendments to MFRSs do not have any significant financial impact on the results and financial position of the Company for the current financial year.

Accounting standards, amendments to accounting standards and IC Interpretations that are applicable for the Company in the following periods but are not yet effective:

***Annual periods beginning on/after 1 January 2020***

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3, “Definition of a Business”
- Amendments to MFRS 101 and MFRS 108, “Definition of Material”
- Amendments to MFRS 9, MFRS 139 and MFRS 7, “Interest Rate Benchmark Reform”

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**PART A – EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 6-MONTH FINANCIAL PERIOD ENDED 31 JULY 2020 (CONTINUED)**

**A2 Significant Accounting Policies (CONTINUED)**

***Annual periods beginning on/after 1 January 2022***

- Annual Improvements to MFRS Standards 2018 – 2020
- Amendments to MFRS 3, “Reference to the Conceptual Framework”
- Amendments to MFRS 116, “Property, Plant and Equipment - Proceeds before Intended Use”
- Amendments to MFRS 137, “Onerous Contracts - Cost of Fulfilling a Contract”

***Annual periods beginning on/after 1 January 2023***

- Amendments to MFRS 101 Classification of Liabilities as Current or Non-current Amendments to MFRS 3, “Reference to the Conceptual Framework”
- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts
- Amendments to MFRS 4 Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9

***Effective date yet to be determined by the Malaysian Accounting Standards Board***

- Amendments to MFRS 10 and MFRS 128, “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The Company is in the process of assessing the impact of implementing these standards and amendments, since the effect would only be observable for the future financial year.

**A3 Auditors’ Report**

There was no qualification on the audited financial statements of the Company for the financial year ended 31 July 2019.

**A4 Seasonal and Cyclical Factors**

The business operations of the Company are not materially affected by any seasonal or cyclical factors.

**A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

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

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**PART A – EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 6-MONTH FINANCIAL PERIOD ENDED 31 JULY 2020 (CONTINUED)**

**A6 Changes in Estimates**

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

**A7 Debt and Equity Securities**

There were no changes in the debt and equity securities for the 6-month financial period ended 31 July 2020.

**A8 Dividend Paid**

During the financial period under review, the Company had on 24 July 2020 declared a first interim single tier dividend of RM0.0005 per Share amounting to approximately RM173,056 for the financial year ended 31 July 2020 which was paid on 27 August 2020.

**A9 Segmental Reporting**

The Company is principally involved in the manufacture and sale of cleanroom gloves. As such, the revenue of the Company for the current financial period under review and the financial period to date is derived entirely from its sale of cleanroom gloves.

The Company's revenue as segmented by countries that it shipped its products to are set out below:

Country/Region	Unaudited			
	Current year 6-month period ended 31 July 2020		Preceding year corresponding 6-month period ended 31 July 2019	
	RM'000	%	RM'000	%
Malaysia	2,840	9.90	1,280	5.66
ASEAN <sup>(1)</sup>	6,678	23.24	5,100	22.57
USA	7,916	27.56	7,061	31.24
China	2,574	8.96	1,521	6.73
Europe	5,174	18.01	3,255	14.40
Japan	2,065	7.19	1,695	7.50
Others <sup>(2)</sup>	1,477	5.14	2,680	11.90
	<b>28,724</b>	<b>100.00</b>	<b>22,592</b>	<b>100.00</b>

**Notes:**

(1) ASEAN comprises Singapore, Thailand and Vietnam.

(2) Others include Hong Kong, South Korea, South Africa, Taiwan and India.

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**PART A – EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 6-MONTH FINANCIAL PERIOD ENDED 31 JULY 2020 (CONTINUED)**

**A10 Profit before taxation**

Profit before taxation for the 6-month financial period ended 31 July 2020 is arrived at after charging/(crediting):-

	<b>Unaudited</b>	
	<b>Current year 6- month period ended 31 July 2020 RM'000</b>	<b>Preceding year corresponding 6- month period ended 31 July 2019 RM'000</b>
Auditors' remuneration	44	44
Directors' remuneration	440	358
Rental of buildings <sup>(1)</sup>	-	163
(Gain)/loss on foreign exchange		
-realised	68	82
-unrealised	(58)	(103)
Interest (income)/loss	(24)	(14)
Listing expenses	-	1,900

Note:

(1) Lease of buildings are classified under the right-of-use of assets

**A11 Valuation of property, plant and equipment**

There was no valuation on property, plant and equipment during the 6-month financial period ended 31 July 2020.

**A12 Material Events after the End of the Reporting Period**

There were no other material events subsequent to the end of the current financial period.

**A13 Contingent Liabilities and Contingent Assets**

The Company has the following contingent liability as at 31 July 2020:

	<b>RM'000</b>
Secured:	
Bank guarantees given by a financial institution for:	
- Utility deposit	500

The bank guarantees are secured by first party first legal charges over the long-term leasehold land and certain buildings of the Company.

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

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**PART A – EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE  
6-MONTH FINANCIAL PERIOD ENDED 31 JULY 2020 (CONTINUED)**

**A14 Capital Commitments**

**RM'000**

Capital expenditure in respect of construction of buildings and equipment- in-progress	
- Contracted but not provided for	5,392

**A15 Significant related party transactions**

There were no significant related party transactions in the financial period under review.

**A16 Financial Liabilities**

The Company has not entered into any derivatives and do not have any financial liabilities.

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**PART B – ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**

**B1 Review of Performance**

**Current 6-month period vs. preceding year corresponding 6-month period**

The Company recorded revenue of RM28.7 million for the current 6-month ended 31 July 2020, representing an increase of RM6.1 million or 27.0% as compared to RM22.6 million of revenue achieved during the preceding corresponding financial period. The increase in revenue is mainly attributable to:

- (i) higher demand for the Company's products; and
- (ii) the commissioning of a 3<sup>rd</sup> dipping line during the current period which increased the Company's production capacity by 9.0 million pieces per month.

The Company's gross profit ("GP") increased by approximately RM2.7 million or 56.3% from RM4.8 million (GP margin: 21.0%) in the preceding corresponding period to RM7.5 million (GP margin: 26.0%) in the current financial period. The increase in GP and GP margin were mainly due to the following:

- (i) higher revenue recorded in the current financial period as explained above; and
- (ii) better economies of scale achieved arising from relatively lower fixed overhead cost per unit of goods produced. This is due to a higher production output and utilisation rate of all the 3 dipping lines in the current financial period, particularly during the 4<sup>th</sup> quarter, i.e. May to July 2020 of the Company's current financial year ended 31 July 2020.

The Company recorded profit before tax ("PBT") of RM4.7 million for the current 6-month ended 31 July 2020, representing an increase of RM4.5 million or 2,250% as compared to RM0.2 million PBT achieved during the preceding corresponding financial period.

The increase in profit before tax in current financial period was mainly attributable to the higher gross profit recorded as explained above. In addition, the increase in the Company's profit before tax was also partly attributable to lower administrative expenses in the current financial period as compared to the previous financial period due to the one-off listing expenses charged out in the preceding corresponding financial period.

**Current financial year-to-date versus previous financial year-to-date**

The Company recorded revenue of RM49.9 million for the current financial year ended 31 July 2020, representing an increase of RM3.4 million or 7.3% as compared to RM46.5 million of revenue achieved during the preceding corresponding financial year. Accordingly, the Company registered an increase in GP of RM0.5 million or 4.7% from RM10.7 million (GP margin: 23.0%) in the preceding corresponding year to RM11.2 million (GP margin: 22.5%) in the current financial year ended 31 July 2020. The increase in revenue and GP were mainly due to higher demand for the Company's products.

The Company recorded PBT of RM5.7 million for the current financial year ended 31 July 2020, representing an increase of RM1.9 million or 50.0% as compared to RM3.8 million PBT achieved during the preceding corresponding financial year. This is mainly attributable to higher GP recorded as well as lower administrative expenses incurred in the current financial year due to the one-off listing expenses charged out in the preceding corresponding financial period as explained above.

**B2 Commentary on Prospects**

The Company's current raw nitrile gloves manufacturing capacity and cleanroom post-processing capacity is as follows:

	<b>Pieces (‘000)</b>
Raw nitrile gloves manufacturing capacity (per month)	27,000
Cleanroom post-processing capacity (per month)	43,000

Going forward, the Company plans to carry out the following business strategies / plans:

- (i) to continue expansion and further improvements on product range (i.e. long cuff gloves, good electrostatic discharge prevention gloves and low halogen gloves) by leveraging on the Company's research and development capabilities to develop new glove properties and specifications that are targeted for niche markets such as the high-end electronics and life sciences industries; and
- (ii) to increase its raw nitrile gloves manufacturing capacity to a total of approximately 70.5 million pieces of raw nitrile gloves per month via the addition of 3 additional double former glove-dipping lines, and increase its cleanroom post-processing capacity to a total of approximately 83 million pieces of cleanroom gloves per month via the addition of 2 new cleanroom post processing facilities. The Company had on 1 July 2020 entered into a sale and purchase agreement to acquire a 5 acres land located near the Company's existing manufacturing facilities. The additional glove-dipping lines will be installed on the existing manufacturing facilities and the cleanroom post-processing facilities will be installed in the manufacturing facilities to be erected on this newly acquired land. This expansion plan is expected to be completed within the next 1.5 years.

A total investment of approximately RM50 million is required to install and commission the glove-dipping lines as well as new cleanroom processing facilities to be fully operational within 1.5 years. This new investment will be financed through a combination of internally generated funds of RM16 million and/or bank borrowings of RM34 million.

Upon full completion of its latest expansion plans, the Company's monthly dipping capacity and cleanroom post-processing capacity is expected to increase by approximately four-fold as compared to before its listing exercise. Prior to the Company's listing on the LEAP Market of Bursa Securities, its monthly production capacities for dipping lines and cleanroom post-processing lines was 18 million pieces and 20 million pieces respectively. This increase in capacity is expected to contribute significantly to the Company's sales revenue going forward.

The Movement Control Order ("MCO") and Recovery Movement Control Order ("RMCO") imposed by the Malaysian government to reduce the rate of spreading of the COVID-19 virus pandemic have not adversely impacted the Company's financial and operational performance. Instead, the Company's improved performance was partly attributed to sales growth on the back of the global COVID-19 virus pandemic from the Company's customers in the life sciences industries.

The Company's existing production capacity is currently running near its maximum and most, if not all of its existing customers as well as new customers have increased their orders with the Company significantly, with its major customers committing to medium- and long-term contracts.

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Currently, the monthly sales orders received exceeded the Company's current production capacity, resulting in longer delivery lead times to customers.

**PART C – OTHER INFORMATION**

**C1 Status of Corporate Proposals**

There was no corporate proposal announced but pending completion as at the date of this report.

**C2 Status of Utilisation of Proceeds**

Proposed utilisation	Proposed amount for utilisation (RM'000)	Revised amount for utilisation (RM'000)	Actual amount utilised (RM'000)	Balance amount to be utilised (RM'000)	Estimated timeframe for utilisation upon listing on 21 June 2019
(i) Capital expenditure	8,580	8,580	8,143	437	<sup>(3)</sup> Within 24 months
(ii) Working capital	2,200	<sup>(2)</sup> 2,000	2,000	-	Within 12 months
(iii) Estimated listing expenses	1,700	<sup>(1)(2)</sup> 1,900	1,900	-	Immediate
<b>Total</b>	<b>12,480</b>	<b>12,480</b>	<b>12,043</b>	<b>437</b>	

**Notes:**

- (1) Higher amount utilised for listing expenses mainly due to service tax incurred of approximately RM70,000 and other miscellaneous expenses, such as printing costs which amounted to approximately RM45,000, amongst others.
- (2) The deficit of RM200,000 for the listing expenses has been reallocated from the amount earmarked for working capital.
- (3) As set out in the information memorandum dated 28 March 2019, the proceeds earmarked for capital expenditure is expected to be utilised by 20 June 2020. However, the implementation of the MCO by the Malaysian government which started from 18 March 2020 until 9 June 2020, has led to a temporary cessation of all non-essential business activities during this period. This resulted in a delay in the Company's capital expenditure plans including the installation, purchase and/or upgrade of R&D equipment using the proceeds raised.

With the implementation of RMCO from 10 June 2020 onwards, non-essential businesses have slowly begun to commence operations. The Company expects the balance proceeds of RM437,000 will be utilised by the end of the coming financial year, i.e. 31 July 2021.

**C3 Material Litigation**

The Company was not engaged in any material litigation as at the date of this report.

**C4 Dividend**

The Directors recommended a final single tier dividend of RM0.0005 per ordinary share, amounting to approximately RM173,056 for the financial year ended 31 July 2020. The payment of dividend is subject to the approval by the Company's shareholders at the Company's annual general meeting to be convened.