



AURELIUS TECHNOLOGIES BERHAD
(Company Registration No. 202101005015 (1405314-D))
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 JANUARY 2022**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter Ended		Cumulative Quarter Ended	
	31 January 2022 (a)	31 January 2021 (b)	31 January 2022 (a)	31 January 2021 (b)
	RM	RM	RM	RM
Revenue	106,606,799	N/A	367,421,226	N/A
Cost of sales	(96,068,976)	N/A	(326,756,364)	N/A
Gross Profit	10,537,823	N/A	40,664,862	N/A
Other Income	67,628	N/A	306,008	N/A
Administrative expenses	(4,968,248)	N/A	(10,969,200)	N/A
Selling and distribution expenses	(73,147)	N/A	(198,565)	N/A
Operating profit	5,564,056	N/A	29,803,105	N/A
Finance costs	(1,055,387)	N/A	(3,897,632)	N/A
Profit before tax	4,508,669	N/A	25,905,473	N/A
Income tax expense	610,147	N/A	(3,872,853)	N/A
Profit for the financial period/ year	5,118,816	N/A	22,032,619	N/A
Total other comprehensive				
Income, net of tax:				
Items that will not be reclassified				
subsequently to profit or loss:				
Transfer of revaluation surplus to retained profits	46,880	N/A	187,521	N/A
Realisation of revaluation surplus upon depreciation	(46,880)	N/A	(187,521)	N/A
Net Profit/ Total comprehensive income for the financial period/ year attributable to :				
Owner of the Company	5,118,816	N/A	22,032,619	N/A
	5,118,816	N/A	22,032,619	N/A
Earnings Per Share attributable to Owners of the Company				
Basic EPS (sen)	(c)	1.43	N/A	6.15

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (*cont'd*)

Notes:

N/A: Not applicable

(a) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 29 November 2021 and the interim notes attached to these interim financial statements.

(b) No comparative figures for the preceding quarter and preceding period are available as this is the second interim report announced by the Company in compliance with the Main Market Listing Requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Main LR").

(c) Basic earnings per share ("EPS") is calculated based on profit attributable to owners of the Company divided by the number of ordinary shares of 358,180,000 as disclosed in B13.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at End of Current Financial Year 31 January 2022 (a) RM	Audited As at End of Preceding Financial Year 31 January 2021 RM
ASSETS		
Non-current asset		
Property, plant and equipment	83,962,896	56,197,987
Current assets		
Inventories	133,500,018	72,532,081
Trade receivables	90,580,658	100,157,289
Other receivables, deposits and prepayments	3,449,381	2,457,415
Contract assets	23,510,090	25,173,083
Investment	-	2,731,054
Fixed deposits with licensed banks	41,707,008	5,206,652
Cash and bank balances	34,632,313	17,108,571
	<u>327,379,468</u>	<u>225,366,145</u>
TOTAL ASSETS	<u>411,342,364</u>	<u>281,564,132</u>
EQUITY & LIABILITIES		
Share capital	182,946,490	45,864,068
Merger deficit	(38,486,932)	-
Revaluation reserve	6,375,700	6,563,220
Retained profits	50,582,926	31,649,774
Total equity	<u>201,418,184</u>	<u>84,077,062</u>
Non-current liabilities		
Borrowings	17,471,984	26,125,501
Deferred tax liabilities	7,881,000	5,068,000
	<u>25,352,984</u>	<u>31,193,501</u>
Current liabilities		
Trade payables	82,294,753	46,318,082
Other payables & accruals	5,367,365	9,587,308
Borrowings	96,862,079	110,191,762
Provision of taxation	47,000	196,417
	<u>184,571,196</u>	<u>166,293,569</u>
Total Liabilities	<u>209,924,180</u>	<u>197,487,070</u>
TOTAL EQUITY AND LIABILITIES	<u>411,342,364</u>	<u>281,564,132</u>
Net Assets per share attributable to owner of the Company (RM) (b)	0.56	2.56

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*cont'd*)

Notes:-

N/A: Not applicable.

(a) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 29 November 2021 and the interim notes attached to these interim financial statements.

(b) For financial year ended 2022 was computed based on total equity divided by the number of ordinary shares outstanding of 358,180,000 shares. For financial year ended 2021 was computed based on total equity divided by the number of ordinary shares outstanding (prior to the completion of the Pre-IPO Exercise as disclosed in the Prospectus of the Company dated 29 November 2021) of 32,869,879 shares.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative Quarter ended	
	31 January 2022 (a)	31 January 2021 (b)
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	25,905,473	N/A
Adjustments for:		
Depreciation of property, plant & equipment	5,609,204	N/A
Gain on disposal of property, plant & equipment	(3,881)	N/A
Provision of inventory obsolescence	463,353	N/A
Interest expense	3,897,402	N/A
Interest income	(301,151)	N/A
Dividend income	(6,857)	N/A
Unrealised loss on foreign exchange	240,282	N/A
Operating profit before working capital changes	35,803,826	N/A
Changes in working capital:		
Inventories	(71,425,737)	N/A
Receivables	7,984,598	N/A
Contract asset	1,662,993	N/A
Payables	43,150,824	N/A
Net cash flows generated from operations	17,176,504	N/A
Interest paid	(3,897,402)	N/A
Income tax paid	(2,147,493)	N/A
Net cash flows generated from operating activities	11,131,609	N/A
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(14,137,218)	N/A
Proceeds from disposal of property, plant & equipment	9,570	N/A
Interest received	301,151	N/A
Dividend received	6,857	N/A
Placement of fixed deposits pledged to licensed banks	(1,500,356)	N/A
Net cash used in investing activities	(15,319,997)	N/A
CASH FLOW FROM FINANCING ACTIVITIES		
Net change in bankers acceptances and OFCL	1,198,640	N/A
Repayment of finance lease liabilities	(7,376,031)	N/A
Repayment of term loans	(40,139,096)	N/A
Dividends paid	(555,934)	N/A
Net change in revolving credit	5,000,000	N/A
Proceed from issuance of share capital	98,595,490	N/A
Net cash generated from financing activities	56,723,069	N/A
NET INCREASE IN CASH AND CASH EQUIVALENTS	52,534,681	N/A
Effect of changes in foreign exchange rate	(10,937)	N/A
CASH & CASH EQUIVALENTS AT BEGINNING	17,108,568	N/A
CASH & CASH EQUIVALENTS AT END	69,632,313	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(cont'd)

	Cumulative Quarter ended	
	31 January 2022 (a)	31 January 2021 (b)
	RM	RM
Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balance sheet amounts:		
Fixed deposits with licensed banks	41,707,008	N/A
Cash and bank balances	34,632,313	N/A
	<hr/> 76,339,321	<hr/> N/A
Less: Fixed deposits pledged with licensed banks	(6,707,008)	N/A
CASH & CASH EQUIVALENTS AT END	<hr/> 69,632,313 <hr/>	<hr/> N/A <hr/>

Notes:

N/A: Not applicable

(a) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 29 November 2021 and the interim notes attached to these interim financial statements.

(b) No comparative figures for the preceding year corresponding quarter and preceding year corresponding period are available as this is the second interim report on the consolidated results for the fourth quarter ended 31 January 2022 being announced by the Company in compliance with the Main LR of Bursa Securities.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 31 JANUARY 2022 (a)**

	← Attributable to Owners of the Company →				Total Equity RM
	← Non-distributable →	Merger deficit RM	Distributable	Retained Profit RM	
	Share Capital RM		Revaluation Reserve RM		
Balance as at 1 February 2021	45,864,068	-	6,563,221	31,649,774	84,077,063
Profit after taxation	-	-	-	22,032,619	22,032,619
Other comprehensive income/(loss)	-	-	(187,521)	187,521	-
Transactions with owner:					
Allotment of share	1	-	-	-	1
Pre-IPO	38,486,932	(38,486,932)	-	-	-
IPO	104,733,599	-	-	-	104,733,599
Dividends	-	-	-	(3,286,988)	(3,286,988)
IPO expenses	(6,138,110)	-	-	-	(6,138,110)
				-	
As 31 January 2022	182,946,490	(38,486,932)	6,375,700	50,582,926	201,418,184

Notes:

(a) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 29 November 2021 and the interim notes attached to these interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 JANUARY 2022

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2022

A1. Basis of Preparation

The interim financial report of Aurelius Technologies Berhad (“ATech”) and its subsidiary (collectively, “the Group”) are unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 and Appendix 9B of the Main LR of Bursa Securities.

This is the second interim financial report announced by the Company in compliance with the Main LR of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding quarter and period.

The accounting policies and methods of computation adopted by the Group in this unaudited condensed consolidated interim financial report are consistent with those adopted in the annual financial statements of the Group. The interim financial report should be read in conjunction with the Combined Financial Information and Accountants’ Report as disclosed in the Prospectus of the Company dated 29 November 2021.

The interim financial report is prepared on the basis that the Group has been in existence since 09 February 2021. For the purpose of preparing the interim financial report, the Group adopted the consolidated accounting method of which the Company incorporates the assets and liabilities of its sole subsidiary, BCM Electronics Corporation Sdn Bhd (“BCM Electronics”) at their pre-combination carrying amount. No adjustments are made to reflect their fair values or recognise any new assets or liabilities at the date of the consolidate.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 JANUARY 2022

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2022 (Cont'd)

A2. Changes in Accounting Policies

The accounting policies and presentations adopted by the Group are consistent with those adopted for the audited financial statements of the Group for the financial year ended 31 January 2021 and Accountants' Report in the Prospectus of the Company dated 31 August 2021 except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group: -

Effective for annual period beginning on or after 1 April 2021

- *Amendments to MFRS 16 Leases: Covid-19 - Related rent Concessions beyond 30 June 2021*

Effective for annual periods beginning on or after 1 January 2022

- *Amendments to MFRS 3 Business Combination: Reference to the Conceptual Framework*
- *Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment - Proceeds before Intended Use*
- *Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract*
- *Annual Improvements to MFRS Standards 2018 - 2020*

Effective for annual periods beginning on or after 1 January 2023

- *MFRS 17 Insurance Contracts*
- *Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9*
- *Amendments to MFRS 17 Insurance Contracts*
- *Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current*
- *Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies*
- *Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
- *Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Effective date yet to be confirmed

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 JANUARY 2022

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2022 *(Cont'd)*

A3. Auditors' Report on Preceding Annual Financial Statements

The Company was incorporated on 09 February 2021 and its first annual audited financial statements will be for the financial period ended 31 January 2022.

The auditors' report to the members of BCM Electronics on the financial statements for the financial year ended 31 January 2021 was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's revenues are typically lower in the first half of our financial year because our customers plan ahead for their requirements for the entire year and accordingly, the bulk of orders from our customers are typically received after the end of festive periods, namely the calendar new year and Chinese New Year, which occur at the beginning of the year. Invoices for the orders being delivered are issued progressively in subsequent months depending on our production processes and lead times applicable.

A5. Unusual Items

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

A6. Material Changes in Estimates

There were no changes in estimates of amounts reported that have a material effect in the quarter under review.

A7. Debt and Equity Securities

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 JANUARY 2022

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2022 (Cont'd)

A8. Segmental Reporting

The management determines the business segments based on the reports reviewed and used by the management for strategic decisions making and resources allocation.

No segmental analysis by business segment is prepared as the Group operates predominantly in the electronic manufacturing services (“EMS”) focusing on industrial electronic products namely, communications and internet of things (“IoT”) products, electronics devices, and semiconductor components.

Revenue segmented by products

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31 January 2022	31 January 2021	31 January 2022	31 January 2021
	RM	RM	RM	RM
Communication and IoT products	95,568,000	N/A	317,391,245	N/A
Electronics devices	6,968,441	N/A	38,885,489	N/A
Semiconductor components	4,070,357	N/A	11,144,493	N/A
	106,606,799	N/A	367,421,226	N/A

Revenue segmented by geographical markets

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31 January 2022	31 January 2021	31 January 2022	31 January 2021
	RM	RM	RM	RM
MALAYSIA	39,388,106	N/A	128,022,470	N/A
AMERICAS	52,180,247	N/A	170,935,692	N/A
ASIA PACIFIC (excluding Malaysia)	6,770,576	N/A	38,317,612	N/A
EUROPE	8,267,870	N/A	30,145,453	N/A
	106,606,799	N/A	367,421,226	N/A

A9. Dividend Paid

An interim single-tier dividend was declared by BCM Electronics to its previous sole shareholder on 30 June 2021 and was paid in the previous quarter as disclosed in Note B12.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 JANUARY 2022

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2022 *(Cont'd)*

A10. Property, Plant and Equipment

The group did not carry out any valuation of its property, plant and equipment in the current quarter under review.

A11. Capital Commitments

	Unaudited As at 31 January 2022 RM	Audited As at 31 January 2021 RM
Contracted but not provided for:		
- Property, plant and equipment	1,387,262	208,676
Approved but not provided for:		
- Property, plant and equipment	53,542,600	-
	54,929,862	208,676

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter under review saved as disclosed in Note B7.

A13. Contingent Liabilities and Contingent Assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

A14. Significant Related Party Transactions

There was no related party transaction during the quarter under review.

A15. Material Events Subsequent to the End of the Quarter

Saved as disclosed in Note B7, there were no material events subsequent to the end of the current quarter and financial year-to-date that have not been reflected in this interim financial report.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 JANUARY 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

B1. Review of performance

(a) Results for current quarter

For the current quarter ended 31 January 2022 under review, the Group recorded a revenue of RM106.6 million, of which RM95.6 million and RM6.9 million or 89.7% and 6.5% was derived from communication and IoT products, and electronics devices while the semiconductor components contributed the remaining RM4.1 million or 3.8%.

The Group's gross profit of RM10.54 million for the current quarter under review was derived from communication and IoT products of RM7.92 million or 75.1%, electronics devices of RM0.56 million or 5.3% and semiconductor components of RM2.06 million or 19.6%

The Group recorded a profit before taxation of RM4.5 million for the current quarter under review after incurring finance cost of RM1.06 million, IPO expenses of RM1.36 million, loss in forex exchange of RM1.1 million and RM2.51 million of other administrative, selling and distribution expenses.

(b) Results for financial year-to-date

For the financial year ended 31 January 2022, the group recorded a revenue of RM367.42 million, of which RM317.4 million and RM38.88 million or 86.4% and 10.6% were derived from communication and IoT products, and electronics devices while the semiconductor components contributed the remaining RM11.14 million or 3.0%.

The group's gross profit of RM40.66 million was derived from communication and IoT products of RM28.87 million or 71.0%, electronics devices of RM5.79 million or 14.2% and semiconductor components of RM6.0 million or 14.8%.

The Group recorded a profit before tax of RM25.9 million for the financial year-to-date after incurring total expenses of RM14.76 million comprising administrative, selling and distribution, finance cost and IPO expenses.

This is the second interim financial report announced by the Company in compliance with the listing requirement. As such, no comparative figures are presented for the preceding year's corresponding quarter. Notwithstanding this, please refer to the Company's Prospectus dated 29 November 2021 for further information on the Group's financial results for the past financial years.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 JANUARY 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (*cont'd*)

B2. Comparison with Immediate Preceding Quarter's Results

	Unaudited		
	Individual Quarter Ended		Variance
	31 January 2022	31 October 2021	
	RM	RM	%
Revenue	106,606,799	85,221,827	25.09
Gross Profit	10,537,823	9,164,600	14.98
PBT	4,508,669	6,428,242	(29.86)

The Group recorded a revenue and profit after taxation of RM 106.6 million and RM 4.5 million respectively for the current quarter, as compared to the revenue and profit after taxation of RM85.2 million and RM6.4 million respectively for the immediate preceding quarter.

The revenue for Q4 was higher than the preceding quarters mainly attributed by the improvement of raw materials supply and increased utilisation of operation capacity (MITI allowed 100% operation capacity after 80% of our employees are fully vaccinated as at end of October 2021).

The lower PBT in Q4 was mainly attributed to:

- 1) IPO expenses which was not directly associated to the issuance of new shares.
- 2) Unrealised forex loss due to higher exposure of USD denominated payables and weakening of MYR to USD exchange rate as at the quarter end.
- 3) Stamp duty and documentation cost for banking facilities.
- 4) Higher depreciation cost incurred for additional SMT lines which was not fully utilised as at quarter end.
- 5) Adjustment of minimum wage to RM1,300 with effect from 1 October 2021.
- 6) Timing of delay delivery of raw material supplies resulting in additional overtime labor cost for the quarter under review.
- 7) Increase of Covid cases and higher number of employees being quarantined during the quarter under review resulted in higher operational cost.

B3. Prospects for the Group for the financial year ending 31 January 2023

The Group's future plans and strategies are as follows:

(i) Expansion of semiconductor component manufacturing

As at 31 January 2022, we have installed four (4) SMT production line with six (6) automated backend lines. For financial year ending 31 January 2023, we plan to invest additional three (3) SMT production lines to cater for its expected increase in demand.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 JANUARY 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (*cont'd*)

(ii) Expansion of our production facilities

- (a) The new manufacturing plant was completed and handed over on 31 December 2021. We have obtained CCC (Certificate of Completion & Compliance) on 28 March 2022. The new manufacturing plant will provide an additional 54,228 sq ft of production floor space, increasing our total manufacturing floor space to 132,821 sq ft to cater for the expansion of our EMS operations.
- (b) We planned to have one (1) SMT line for existing EMS business as per prospectus.

(iii) Upgrading of manufacturing facilities towards Industry 4.0

We expect to spend approximately RM4 million through internal generated funds over the next 2-3 years to upgrade our MES system. The investment is mainly in software and system integration to create a network to link the manufacturing facilities providing real time information and data of our manufacturing operation, enabling the monitoring of production yield, quality, health of our machinery and status of delivery.

The challenges of the Group for FY2023 are dependent upon, among others, the recovery from the ongoing Covid-19 pandemic and other factors such as global semiconductors components shortage, labour supply shortage, minimum wages hike and political instability. However, with a secure order book of approximately RM523 million at beginning of January 2022 and by continuing its effort to continuously build on its customer relationship, improving its production quality, efficiency, technical capability, and capacity will better prepared the Group in facing these challenges. Barring any unforeseen circumstances, we are cautiously optimistic about the Group's performance for the financial year ending 31 January 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 JANUARY 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (*cont'd*)

B4. Profit before tax

	Current quarter ended		Cumulative quarter ended	
	31 January 2022	31 January 2021	31 January 2022	31 January 2021
	RM	RM	RM	RM
This includes the following items of Income/ (expense):				
Depreciation of property, plant and equipment	1,479,474	N/A	5,609,204	N/A
Employee benefits expense	10,367,728	N/A	38,410,693	N/A
Expenses relating to lease of low value assets	5,150	N/A	46,518	N/A
Expenses relating to short-term leases	32,227	N/A	62,562	N/A
Fair value loss on investment in quoted shares	-	N/A	-	N/A
Interest expenses on:				
- Finance lease Liabilities	242,452	N/A	544,185	N/A
- Term loan	324,363	N/A	1,612,535	N/A
- Banker's acceptances and OFCL	368,504	N/A	1,401,209	N/A
- Revolving credit	78,989	N/A	157,340	N/A
- Bank overdraft	-	N/A	737	N/A
Loss on disposal of property, plant and equipment	-	N/A	-	N/A
Loss on foreign exchange:				
- Realised	417,068	N/A	986,794	N/A
- Unrealised	687,201	N/A	240,282	N/A
Provision of inventory obsolescence	463,353	N/A	463,353	N/A
			-	
And crediting:				
Gain on disposal of property, plant and equipment	-	N/A	3,881	N/A
Interest income	38,679	N/A	142,764	N/A

There were no provision for and write off of receivables, impairment of assets and gain or loss on derivatives for the financial quarter under review.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 JANUARY 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (*cont'd*)

B5. Income tax expense

	Current Quarter ended		Cumulative quarter ended	
	31 January 2022	31 January 2021	31 January 2022	31 January 2021
	RM	RM	RM	RM
Prior year income tax	81,853	N/A	81,853	N/A
Current period income tax	(829,000)	N/A	978,000	N/A
Deferred tax	137,000	N/A	2,813,000	N/A
	<u>(610,147)</u>	<u>N/A</u>	<u>3,872,853</u>	<u>N/A</u>

There was an over provision for taxation in previous quarters which was written back in Q4 due to additional tax incentive (Reinvestment Allowance & Accelerated Capital Allowance) for additional SMT machine installed during the Q4.

The effective tax rate of the Group for the current quarter and financial year under review was lower than the statutory tax rate. This was mainly due to the availability of reinvestment allowances.

B6. Profit forecast or Profit guarantee

The Group did not issue any profit forecast nor profit guarantee in respect of any corporate proposals.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 JANUARY 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (*cont'd*)

B7. Status of corporate proposals

There was no corporate proposal announced by the Company but not completed as at the date of this interim financial report except for the following:

The Company has successfully listed on 16 December 2021 with initial public offering up to 103,870,000 ordinary shares ("IPO") on the Main Market of Bursa Securities ("Listing").

As an integral part of its listing on the Main Market of Bursa Securities, the Company has undertaken the following listing scheme: -

Acquisition of BCM Electronics

The Company acquired the entire equity interest of BCM Electronics for a total purchase consideration of RM84,351,000 to be satisfied via the issuance of 281,169,999 new ordinary shares ("consideration shares") at an issue price of RM0.30 per share. The acquisition was completed on 3 November 2021. In consideration of the issuance of the consideration shares, the entire issued shares of BCM Electronics have been transferred to the Company. The shares transfer was completed on 12 November 2021.

Pre-IPO Dividend

On 30 June 2021, BCM Electronics has declared an interim single-tier dividend amounting to RM3,286,988 for the financial year ending 31 January 2022 to Main Stream Holdings Sdn Bhd, its previous sole shareholder. The interim dividend has been paid by way of cash of RM555,934 and in specie of quoted shares outside Malaysia of RM2,731,054. Fair value gain on investment in quoted shares outside Malaysia amounting to RM255,056 has been recorded subsequent to the dividend in specie.

Public Issue

The IPO involves a public issue of 77,010,000 new ordinary shares in the Company at an issue price of RM1.36 per share.

In conjunction with the IPO, the Company had sought the listing and quotation of its entire enlarged issued share capital comprising 358,180,000 ordinary shares in the Company on the Main Market of Bursa Malaysia Securities Berhad.

Offer for Sale

The Offer for Sale comprises an offer for sale of up to 26,860,000 shares by the existing shareholders of the Company ("Selling Shareholders") at an offer price of RM1.36 per share.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 JANUARY 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (*cont'd*)

The Company will not receive any proceeds from the Offer for Sale. The total gross proceeds from the Offer for Sale of up to approximately RM36,529,600 will accrue entirely to the Selling Shareholders.

B8. Utilisation of proceeds from the Public Issue

The utilisation proceeds from the IPO of RM104.7 million in the following manner:

Details of use	Estimated timeframe for use	Proposed Utilisation	%	Fund Utilised	Balance as at 31 January 2022
		RM			
Purchase of new machinery and equipment	within 24 months ⁽¹⁾	40,000,000	38.19	-	40,000,000
Repayment of bank borrowings	within 6 months ⁽¹⁾	29,520,000	28.19	29,003,750	516,250
Working capital	within 36 months ⁽¹⁾	28,128,600	26.86	11,182,303	16,946,297
Estimated listing expenses*	within 6 months ⁽¹⁾	7,085,000	6.76	7,085,000	-
Total		104,733,600	100.00	47,271,053	57,462,547

(1) From the date of listing of the Company shares.

*In the event of a surplus or deficit in the allocated amount for the estimated expenses for the Company's IPO and Listing, such variance will be adjusted to or from the proceeds allocated for working capital.

The estimated listing expenses of RM7,085,000 has been fully utilised.

The total bank borrowings repayment was RM516,250 lower due to the rebate given by the lenders.

Out of the total RM28,128,600 allocated for working capital, RM11,182,303 has been utilized. RM1,775,185 was utilised to pay for operating expenses, RM2,844,839 was utilised to pay employee salaries and RM6,562,279 was utilised to purchase raw materials.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 JANUARY 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (*cont'd*)

B9. Group's Borrowings and Debts Securities

The details of the Group's borrowings as at 31 January 2022 are as follows: -

	Unaudited As at 31 January 2022 RM	Audited As at 31 January 2021 RM
Short term borrowings		
Secured:		
Finance lease liabilities	124,787	1,629,448
Term loans	1,522,172	19,636,536
Bankers acceptances and onshore foreign currency loan(OFCL)	90,215,120	88,925,778
Revolving credit	5,000,000	-
	96,862,079	110,191,762
Long term borrowing		
Secured:		
Finance lease liabilities	-	5,871,370
Term loans	17,471,984	20,254,131
	17,471,984	26,125,501
Total borrowings	114,334,063	136,317,263

B10. Off Balance Sheet Financial Instruments

There is no significant off-balance sheet financial Instruments as at date of this quarterly report.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 JANUARY 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (*cont'd*)

B11. Material Litigation

Save as disclosed below, our Group is not engaged in any material litigation, claim and/or arbitration, whether as plaintiff or defendant, which might materially and adversely affect the financial or business position of our Group:

BCM Electronics had, on 13 October 2015, filed a lawsuit against Mimos Berhad (“Mimos”) at the High Court of Malaya at Kuala Lumpur (“High Court”) to claim a sum RM1,672,789 together with the interest (“Suit”).

The High Court judge had, on 6 May 2019, allowed BCM Electronics’ claim with costs amounting to RM1,694,734.75. Mimos had on 9 May 2019 filed an appeal against the decision at the Court of Appeal of Malaysia. On 3 August 2021, the Court of Appeal of Malaysia allowed the appeal filed by Mimos with cost and BCM Electronics is to return the sum of RM1,731,134.75 (including costs) to Mimos. BCM Electronics had on 2 September 2021 filed an application of motion for leave to the Federal Court of Malaysia (“Leave Application”). The court deferred the leave Application for hearing from 25 January 2022 to 31 March 2022.

Pending the application for leave, BCM Electronics has repaid the claim together with the interest amounting to RM1,731,135 to Mimos on 14 September 2021.

The outcome of the hearing of the Leave Application is not expected to have a material impact on our Group as the remaining inventory have been written off in the FYE 31 January 2019 and the additional costs amounting to RM36,400.00 (being the difference between RM1,731,134.75 and RM1,694,734.75 as mentioned above) is immaterial.

B12. Dividends

For information purposes, BCM Electronics, a wholly owned subsidiary of the Company, declared an interim single-tier dividend of RM0.10 per ordinary share amounting to RM3,286,988 in total in respect of the financial year ending 31 January 2022. The said dividend was paid to Main Stream Holdings Sdn Bhd, being the previous sole shareholder of BCM Electronics, on 20 October 2021. RM2,731,054 was funded by way of a dividend in specie of quoted shares listed on a foreign exchange while the remaining RM555,934 was funded by BCM Electronics’s internally generated fund.

Save as disclosed above, there was no dividend that has been declared or recommended for payment by the Board of Directors of the Company during the financial period under review.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 JANUARY 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (*cont'd*)

B13. Earning Per Shares (“EPS”)

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

The calculation of earnings per ordinary share as at 31 January 2022, was based on the profit attributable to ordinary shareholders and a number of ordinary shares outstanding was calculated as follows:

	Unaudited Individual quarter ended		Unaudited Cumulative quarter ended	
	31 January 2022	31 January 2021	31 January 2022	31 January 2021
Profit attributable to ordinary equity owners of the Company (RM)	5,118,816	N/A	22,032,619	N/A
Earnings per ordinary share attributable to owners of the Company				
Number of ordinary shares	358,180,000	N/A	358,180,000	N/A
Earnings per ordinary share (sen)	1.43	N/A	6.15	N/A

B14. Fair value of financial liabilities

There was no gain or loss arising from fair value changes of financial liabilities for the current quarter and financial period under review as the Group did not have any financial liabilities measured at fair value.