



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

**UNAUDITED CONDENSED  
INTERIM FINANCIAL STATEMENT  
FOR THE FIRST QUARTER ENDED  
30 APRIL 2023**

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

	1st Quarter Ended			Cumulative Quarter Ended		
	30 April 2023 (a)	30 April 2022	Changes	30 April 2023 (a)	30 April 2022	Changes
	RM	RM	%	RM	RM	%
Revenue	94,629,207	100,714,436	(6.0)	94,629,207	100,714,436	(6.0)
Cost of sales	(87,067,302)	(93,178,396)	(6.6)	(87,067,302)	(93,178,396)	(6.6)
<b>Gross profit</b>	<b>7,561,905</b>	<b>7,536,040</b>	<b>0.3</b>	<b>7,561,905</b>	<b>7,536,040</b>	<b>0.3</b>
Other income	3,267,519	79,953	3,986.8	3,267,519	79,953	3,986.8
Administrative expenses	(2,538,574)	(2,683,794)	(5.4)	(2,538,574)	(2,683,794)	(5.4)
Selling and distribution expenses	(127,883)	(68,269)	87.3	(127,883)	(68,269)	87.3
<b>Operating profit</b>	<b>8,162,967</b>	<b>4,863,930</b>	<b>67.8</b>	<b>8,162,967</b>	<b>4,863,930</b>	<b>67.8</b>
Finance income	855,429	155,718	449.3	855,429	155,718	449.3
Finance costs	(356,492)	(638,480)	(44.2)	(356,492)	(638,480)	(44.2)
<b>Profit before tax</b>	<b>8,661,904</b>	<b>4,381,168</b>	<b>97.7</b>	<b>8,661,904</b>	<b>4,381,168</b>	<b>97.7</b>
Taxation	(600,000)	634,000	(194.6)	(600,000)	634,000	(194.6)
<b>Profit for the financial period</b>	<b>8,061,904</b>	<b>5,015,168</b>	<b>60.8</b>	<b>8,061,904</b>	<b>5,015,168</b>	<b>60.8</b>
<b>Total other comprehensive Income, net of tax: Items that will not be reclassified subsequently to profit or loss:</b>						
Transfer of revaluation surplus to retained profits	46,880	46,880	-	46,880	46,880	-
Realisation of revaluation surplus upon depreciation	(46,880)	(46,880)	-	(46,880)	(46,880)	-
<b>Net Profit/ Total comprehensive income for the financial period attributable to :</b>						
Owner of the Company	8,061,904	5,015,168	60.8	8,061,904	5,015,168	60.8
	<b>8,061,904</b>	<b>5,015,168</b>	<b>60.8</b>	<b>8,061,904</b>	<b>5,015,168</b>	<b>60.8</b>
<b>Earnings Per Share attributable to Owners of the Company</b>						
Basic EPS (sen)	(b)	2.06	1.40	2.06	1.40	
Diluted EPS (sen)	(c)	2.06	1.40	2.06	1.40	

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

Notes:

(a) *The Unaudited Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audited financial statement for the financial year ended 31 January 2023 and the accompanying explanatory notes.*

(b) *Basic earnings per share ("EPS") are calculated based on the profit attributable to owners of the Company divided by the weighted average number of ordinary shares issued of **391,583,303** (for 1st quarter ended 30 April 2023 - after private placement as disclosed in B13 (i)) and **358,180,000** (for 1st quarter ended 30 April 2022) respectively.*

(c) *Diluted earnings per share ("DEPS") are calculated based on the profit attributable to owners of the Company divided by the weighted average number of applicable ordinary shares **391,908,303** (for 1st quarter ended 30 April 2023 – including the private placement issuance and the deemed Performance Share Grant ("PSG") offer under the Employees Share Scheme ("ESS") as disclosed in B13 (ii)), and **358,180,000** (for 1st quarter ended 30 April 2022) respectively.*

## CONDENSED STATEMENT OF FINANCIAL POSITION

	<u>Unaudited</u> As at 30 April 2023 (a) RM	<u>Audited</u> As at 31 January 2023 RM
<b>ASSETS</b>		
<b>Non-current asset</b>		
Property, plant and equipment	118,723,114	115,374,459
Right-of-use assets	1,584,076	1,848,088
<b>Current assets</b>		
Inventories	122,502,220	101,739,307
Trade receivables	69,566,568	131,825,689
Other receivables, deposits and prepayments	767,170	4,310,579
Contract assets	14,310,300	12,241,534
Current tax asset	714,811	1,145,547
Short term investments	17,753,053	1,965,053
Fixed deposits with licensed banks	27,230,233	7,216,508
Cash and bank balances	72,582,216	41,707,054
	<u>325,426,571</u>	<u>302,151,271</u>
<b>TOTAL ASSETS</b>	<b><u>445,733,761</u></b>	<b><u>419,373,818</u></b>
<b>EQUITY &amp; LIABILITIES</b>		
Share capital	260,077,273	182,946,490
Merger deficit	(38,486,932)	(38,486,932)
Revaluation reserve	6,141,302	6,188,182
ESS reserve	192,398	96,199
Retained profits	88,960,216	80,851,432
<b>Total equity</b>	<b><u>316,884,257</u></b>	<b><u>231,595,371</u></b>
<b>Non-current liabilities</b>		
Borrowings	19,845,378	21,109,773
Lease liability	632,434	905,609
Deferred tax liabilities	8,813,000	8,691,000
	<u>29,290,812</u>	<u>30,706,382</u>
<b>Current liabilities</b>		
Trade payables	80,426,196	69,041,435
Other payables & accruals	13,113,633	13,343,109
Borrowings	4,963,138	72,704,172
Lease liability	1,055,725	1,038,387
Provision of taxation	-	944,962
	<u>99,558,692</u>	<u>157,072,065</u>
<b>Total Liabilities</b>	<b><u>128,849,504</u></b>	<b><u>187,778,447</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>445,733,761</u></b>	<b><u>419,373,818</u></b>
Net Assets per share attributable to owner of the Company (RM) (b)	0.80	0.65

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

Notes:-

(a) *The condensed statement of financial position should be read in conjunction with the Group's audited financial statement for the financial year ended 31 January 2023 and the accompanying explanatory notes.*

(b) *Net Assets per share attributable to the company's equity owners are calculated based on total equity divided by the total number of ordinary shares outstanding of **393,998,000** shares issued (for 1st quarter ended 30 April 2023 - after private placement) and **358,180,000** (for 1st quarter ended 30 April 2022) respectively.*

## UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Cumulative quarter ended	
	30 April 2023 (a)	30 April 2022
	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	8,661,904	4,381,168
Adjustments for:		
Depreciation of property, plant & equipment	3,098,992	1,757,032
Fair value gain on short term investments	(133,979)	(59,456)
Interest expense	316,956	601,255
Interest income	(855,429)	(155,718)
ESS reserve	96,199	-
Unrealised (gain)/ loss on foreign exchange	(1,594,561)	448,155
Operating profit before working capital changes	9,590,082	6,972,436
Changes in working capital:		
Inventories	(20,961,783)	22,934,047
Receivables	65,766,949	10,077,954
Contract assets	(2,068,766)	(3,324,064)
Payables	11,771,357	(35,258,163)
Net cash flows generated from operations	64,097,839	1,402,210
Interest paid	(316,956)	(601,255)
Income tax paid	(992,225)	(441,300)
Net cash flows generated from operating activities	62,788,658	359,655
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(6,183,636)	(2,121,562)
Interest received	855,429	155,718
Short term investments	(15,654,020)	(43,113,446)
Fixed deposits with licensed bank	880,382	30,046,557
Net cash used in investing activities	(20,101,845)	(15,032,733)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net repayment in bankers acceptances and OFCL	(68,485,794)	(5,548,351)
Net repayment of finance lease	(24,406)	(60,709)
Net (repayment)/ drawdown of term loans	(1,186,360)	8,370,804
Net replayment of revolving credit	-	(5,000,000)
Net repayment of lease liability	(255,837)	-
Net proceeds from private placement	77,130,783	-
Net cash generated/ (used) in financing activities	7,178,386	(2,238,256)
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVAL</b>	49,865,199	(16,911,334)
Effect of changes in foreign exchange rate	1,904,070	464,468
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	41,707,054	39,634,975
<b>CASH AND CASH EQUIVALENTS AT END</b>	93,476,323	23,188,109

## UNAUDITED CONDENSED STATEMENT OF CASH FLOWS (*cont'd*)

	Cumulative quarter ended	
	30 April 2023 (a)	30 April 2022
	RM	RM
Cash and cash equivalents included in the statement of cash flows comprise the following balance sheet amounts:		
Fixed deposits with licensed banks	27,230,233	6,657,788
Cash and bank balances	<u>72,582,216</u>	<u>23,188,109</u>
	99,812,449	29,845,897
Less: Fixed deposits with licensed banks more than 3 months	(6,336,126)	-
Less: Fixed deposits pledged with licensed banks	<u>-</u>	<u>(6,657,788)</u>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<u><b>93,476,323</b></u>	<u><b>23,188,109</b></u>

*Notes:*

(a) *The unaudited condensed statement of cash flows should be read in conjunction with the Group's audited financial statement for the financial year ended 31 January 2023 and the accompanying explanatory notes.*

## UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Company				Distributable Retained Profits RM	Total Equity RM
	Share Capital RM	Non-distributable ESS Reserve RM	Merger Deficit RM	Revaluation Reserve RM		
<b>Period ended 30 April 2023</b>						
Balance as at 1 February 2023	182,946,490	96,199	(38,486,932)	6,188,182	80,851,432	231,595,371
Issuance of shares pursuant to:						
- Private placement	77,725,060	-	-	-	-	77,725,060
Shares issuance expenses pursuant to private placement	(594,277)	-	-	-	-	(594,277)
ESS reserve	-	96,199	-	-	-	96,199
Profit after taxation	-	-	-	-	8,061,904	8,061,904
Total comprehensive income/(loss)	-	-	-	(46,880)	46,880	-
Dividends paid	-	-	-	-	-	-
<b>As 30 April 2023</b>	<b>260,077,273</b>	<b>192,398</b>	<b>(38,486,932)</b>	<b>6,141,302</b>	<b>88,960,216</b>	<b>316,884,257</b>
<b>Period ended 30 April 2022</b>						
Balance as at 1 February 2022	182,946,490	-	(38,486,932)	6,375,701	50,582,927	201,418,186
Profit after taxation	-	-	-	-	5,015,168	5,015,168
Total comprehensive income/(loss)	-	-	-	(46,880)	46,880	-
<b>As 30 April 2022</b>	<b>182,946,490</b>	<b>-</b>	<b>(38,486,932)</b>	<b>6,328,821</b>	<b>55,644,975</b>	<b>206,433,354</b>

**Notes:**

(a) The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Group's audited financial statement for the financial year ended 31 January 2023 and the accompanying explanatory notes.



## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT

### A. EXPLANATORY NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT FOR THE QUARTER ENDED 30 APRIL 2023

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#### A1. Basis of Preparation

The interim financial statements of Aurelius Technologies Berhad (“ATech” or “Company”) and BCM Electronics Corporation Sdn Bhd (“BCM Electronics”), the Company’s sole 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 Market Listing Requirement of Bursa Malaysia Securities Berhad (“Main LR”).

The accounting policies and methods of computation adopted by the Group in this unaudited condensed interim financial statement are consistent with those adopted in the audited financial statements of the Group for the year ending 31 January 2023. The interim financial statement should be read in conjunction with the consolidated financial information and the audited financial statement of the Group for the year ending 31 January 2023.

#### A2. Changes in Accounting Policies

*The accounting policies adopted by the Group are consistent with those of the previous financial years except for the adoption of the following amendments to MFRSs that are mandatory for the current financial year:*

***Effective for annual period beginning on or after 1 April 2021***

*Amendment 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*

*Initial application of the above amendments/improvements to MFRSs did not have any material impact to the financial statements of the Group and of the Company upon adoption.*

#### **Standards Issued But Not Yet Effective**

*The following are accounting standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the Group and for the Company:*

***Effective for annual periods beginning on or after 1 January 2023***

*MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts*

*Amendments to MFRS 17 Insurance Contracts: Initial application of MFRS 17 and MFRS 9 – Comparative Information*

*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 for annual periods beginning on or after 1 January 2024***

*Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback*

*Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants*

***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 and amendments to MFRSs is not expected to have any material impacts to the financial statements of the Group and of the Company upon adoption.*

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

The auditors' reports to the respective members of ATech and BCM Electronics on the financial statements for the financial year ended 31 January 2023 were 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 order from customers are typically received after the end of festive period, namely the calendar new year and Chinese New Year, which occur at the beginning of the year. Invoices for the order being delivered are issued progressively in subsequent months depending on our production capacity and applicable lead times.

**A5. Unusual Items**

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

**A6. Material Changes in Estimates**

There was no change in the estimate of amounts reported that have a material effect in the quarter under review.

**A7. Debt and Equity Securities**

During the financial period, the issued and paid-up ordinary share capital was increased from RM182,946,490 to RM260,077,273 by way of issuance of 35,818,000 new ordinary shares of ATech ("New ATech Shares").

The New ATech Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 7 February 2023 with the gross proceeds of RM77,725,060. After deducting the total transaction cost of RM594,277, the net proceeds is RM77,130,783.

There was no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities by the Company for the quarter under review.

## A8. Segmental Reporting

The management determines the business segments based on the reports reviewed and used by the management for strategic decisions making and resource 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	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	30 April 2023	Quarter	30 April 2023	Period
	RM	30 April 2022	30 April 2022	RM
Communications and IoT products	73,598,216	88,203,495	73,598,216	88,203,495
Electronics devices	13,436,285	8,712,487	13,436,285	8,712,487
Semiconductor components	7,594,706	3,798,454	7,594,706	3,798,454
	<u>94,629,207</u>	<u>100,714,436</u>	<u>94,629,207</u>	<u>100,714,436</u>

### Revenue segmented by geographical markets

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	30 April 2023	Quarter	30 April 2023	Period
	RM	30 April 2022	30 April 2022	RM
MALAYSIA	16,439,082	39,373,535	16,439,082	39,373,535
AMERICAS	50,736,090	43,272,731	50,736,090	43,272,731
ASIA PACIFIC (excluding Malaysia)	15,386,415	6,818,219	15,386,415	6,818,219
EUROPE	12,067,620	11,249,951	12,067,620	11,249,951
	<u>94,629,207</u>	<u>100,714,436</u>	<u>94,629,207</u>	<u>100,714,436</u>

## A9. Dividend Paid

The final tax exempt (single tier) dividend of 2.00 sen per ordinary share for the financial year ended 31 January 2023 amounting to RM7.9 million was declared on 28 March 2023 and is to be paid on 9 May 2023.

Save as disclosed above, there was no other dividend paid during the current quarter under review.

## A10. Property, Plant and Equipment

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

### A11. Capital Commitments

	<b>Unaudited As at 30 April 2023 RM</b>	<b>Audited As at 31 January 2023 RM</b>
<b>Contracted but not provided for:</b>		
- Property, plant and equipment	2,643,366	5,259,402
<b>Approved but not provided for:</b>		
- Property, plant and equipment	54,410,643	31,544,324
	<b>57,054,009</b>	<b>36,803,726</b>

### A12. Changes in the Composition of the Group

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

### A13. Contingent Liabilities and Contingent Assets

There was no material contingent liability or contingent asset 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. Fair value of financial instruments

The Group measures its financial instruments carried at fair value in accordance with the following levels of fair value hierarchy which are categorised based on the input used in the valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability; and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable input).

The Group's financial instruments as at the end of the financial period under review measured at fair value are as follows:

	<b>Unaudited As at 30 April 2023 RM</b>	<b>Audited As at 31 January 2023 RM</b>
<b>Levels 1</b>		
Financial assets at fair value through profit or loss - Placements in money market funds	17,753,053	1,965,053
	<b>17,753,053</b>	<b>1,965,053</b>

The fair value of the placements in money market funds is determined by reference to market price at the end of the reporting period.

#### **A16. Material Events Subsequent to the end of the Quarter**

##### Proposed Acquisition of New Land

On 13 January 2023, the Company signed the acceptance of the letter of offer issued by Northern Technocity Sdn Bhd (“NTCSB”) for the purchase of a vacant freehold industrial land measuring approximately 301,874 sq. ft., located within Kulim High-Tech Park (“KHTP”) held under HS(D) 83925, PT 5930 Seksyen 39, Bandar Kulim, District of Kulim, Kedah (“New Land”), for a total cash consideration of RM13,584,330 (the “Purchase Price”) (hereinafter referred to as “Proposed Acquisition”). The Company had paid the earnest deposit of RM271,686.60 equivalent to two per percent (2%) of the Purchase Price.

On 10 May 2023, the Company nominated BCM Electronics to enter into a sale and purchase agreement with NTCSB for the Proposed Acquisition. BCM Electronics had paid the balance deposit of RM1,086,746.40 which is equivalent to eight percent (8%) of the Purchase Price.

Save as disclosed above, no material event subsequent to the end of the current quarter and financial year-to-date that has not been reflected in this unaudited condensed interim financial statement.

## B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

### B1. Review of performance

	Individual Period (a)		Changes (Amount/%) + / (-)	Cumulative Period (a)		Changes (Amount/%) + / (-)
	(1st quarter)			Current Year To date	Preceding Year Corresponding Period	
	Current Year Quarter	Preceding Year Corresponding Quarter				
	30-Apr-2023	30-Apr-2022		30-Apr-2023	30-Apr-2022	
Revenue	94,629,207	100,714,436	(6.0)	94,629,207	100,714,436	(6.0)
Gross Profit	7,561,905	7,536,040	0.3	7,561,905	7,536,040	0.3
Profit Before Interest and Tax	8,162,967	4,863,930	67.8	8,162,967	4,863,930	67.8
Profit Before Tax	8,661,904	4,381,168	97.7	8,661,904	4,381,168	97.7
Profit After Tax	8,061,904	5,015,168	60.8	8,061,904	5,015,168	60.8
Profit Attributable to Ordinary Equity Holder of the Parent	8,061,904	5,015,168	60.8	8,061,904	5,015,168	60.8

#### (a) Results for current quarter and financial year-to-date

For the current quarter ended 30 April 2023 under review, the Group recorded a revenue of RM94.6 million, of which RM73.6 million and RM13.4 million or 77.8% and 14.2% was derived from communication and IoT products, electronics devices and the semiconductor components contributed the remaining RM7.6 million or 8.0%. As compared to the revenue of RM100.7 million recorded in the corresponding quarter in the previous year, the communication and IoT products, electronics devices respectively contributed RM88.2 million and RM8.7 million or 87.6% and 8.6% and the balance of semiconductor components contributed RM3.8 million or 3.8%.

The Group recorded a gross profit of RM7.6 million for the current quarter as compared to a profit before tax of RM7.5 million recorded in the corresponding quarter of the previous year. Despite the weaker revenue, the Group saw a relatively stronger gross profit margin compared to the corresponding quarter in the previous year - mainly contributed by a composition of product mix with higher profit margin. However, the gross profit margin for the current quarter is still notably lower due to the impact of economies of scale.

The Group recorded a profit before tax of RM8.7 million for the current quarter as compared to profit before tax of RM4.4 million for the corresponding quarter in the previous year. This can be attributed to the effective (a) higher foreign exchange gains of RM3.6 million, (b) higher interest/investment income by RM0.9 million, and (c) lower finance costs of RM0.7 million – compared to the corresponding quarter in the previous year.

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

	Current Quarter 30-Apr-2023	Immediate Preceding Quarter 31-Jan-2023	Changes (Amount/%)
Revenue	94,629,207	137,149,895	-31.0%
Gross Profit	7,561,905	22,544,342	-66.5%
Profit Before Interest and Tax	8,162,967	14,976,179	-45.5%
Profit Before Tax	8,661,904	14,045,303	-38.3%
Profit After Tax	8,061,904	12,873,103	-37.4%
Profit Attributable to Ordinary Equity Holder of the Parent	8,061,904	12,873,103	-37.4%

The Group recorded a revenue and profit before tax of RM94.6 million and RM8.7 million respectively - representing a decrease of RM42.5 million and RM5.3 million respectively for the current quarter.

The revenue and profit after tax for the quarter under review was lower than the preceding quarter and can be attributed to a combination of (a) various public holidays and festivities, (b) customary seasonal slowdowns, and (c) aggressive downsizing of inventories by selective customers. The decline in profit after tax for the current quarter was partially defrayed by (i) foreign exchange gains, and (ii) savings in net finance costs. The positive net finance costs can be attributed to (a) repayments of trade facilities, and (b) increases in interest income.

The Group did not record any business transactions that resulted in the material disposal of investment or properties, a one-off gain or loss, or revaluation gain or loss in this quarter under review.

## B3. Prospects for the Group

Similar to its industry peers, the Group continues to be challenged by (1) potential natural disasters, (2) growing manpower, material and utilities cost, (3) recurring constraints of global supply chain, (4) selective shortages of semiconductor components, (5) rising interest rates, (6) volatilities of USD/MYR exchange rates, (7) persisting inflationary effects, (8) trending recessionary sentiments, (9) ongoing Ukraine-Russia and geo-political conflicts, (10) heightening US-China trade and technology tension, and (11) brewing global market contagions or fallouts. Such concerns have resulted in our selective customers tactically reducing their target inventory holdings and/or deferring their forecasted orders. To manage and overcome these challenges, the Group continues to remain prudent and cautiously optimistic in navigating through such unpredictable markets as it strives to actively manage customer credits and collection, diversify its customers' base, and scale-up its manufacturing capacity and technology capabilities whilst actively optimising cost and capital structures.

The order book appears to be stabilised at approximately RM288 million on 19 June 2023 as our customers continues to further prioritise "just-in-time" orders for production.

Barring any unforeseen circumstances in executing our existing order book and subsequent new orders, we continue to be cautiously positive about the Group's performance for the financial year ending 31 January 2024.

#### B4. Note to the Statement of Profit and Loss & Other comprehensive income

	Current quarter ended		Cumulative quarter ended	
	30 April 2023	30 April 2022	30 April 2023	30 April 2022
	RM	RM	RM	RM
This includes the following items of income/ (expense):				
Depreciation of property, plant and equipment	3,098,992	1,757,032	3,098,992	1,757,032
Employee benefits expense	13,655,288	10,458,229	13,655,288	10,458,229
Expenses relating to lease of low value assets	-	5,830	-	5,830
Expenses relating to short-term leases	9,035	39,179	9,035	39,179
Interest expenses on:				
- Finance lease	24,876	1,262	24,876	1,262
- Term loans	40,316	211,375	40,316	211,375
- Bankers acceptances and OFCL	251,764	375,550	251,764	375,550
- Revolving credit	-	13,068	-	13,068
Loss on foreign exchange				
- Realised	-	97,990	-	97,990
- Unrealised	-	448,155	-	448,155
And crediting:				
Gain on foreign exchange:				
- Realised	1,471,959	-	1,471,959	-
- Unrealised	1,594,561	-	1,594,561	-
Fair value gain on revaluation of short term investment *	133,979	59,456	133,979	59,456
Interest income	855,429	155,718	855,429	155,718

\*Included in Other Income

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

#### B5. Income tax expense

	Current Quarter ended		Cumulative quarter ended	
	30 April 2023	30 April 2022	30 April 2023	30 April 2022
	RM	RM	RM	RM
Current period income tax	478,000	367,000	478,000	367,000
Deferred tax	122,000	(1,001,000)	122,000	(1,001,000)
	<u>600,000</u>	<u>(634,000)</u>	<u>600,000</u>	<u>(634,000)</u>

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 or profit guarantee in respect of any corporate proposals.



## B7. Status of corporate proposals

### Proposed Acquisition of New Land

On 10 May 2023, BCM Electronics signed the sales and purchase agreement with NTCSB for the purchase of a vacant freehold industrial land. The Company first announced the proposed acquisition on the 13 January 2023 via the signing of the acceptance of the letter of offer issued by NTCSB as disclosed in Note A16.

### Issuance of new Company Shares

On 7 February 2023, the Company completed the issuance of new 35,818,000 ordinary shares of the Company. The Company first announced the intention to carry out the proposed private placement of new Company shares on 13 January 2023 (“Private Placement”) as disclosed in Note A7.

### Performance Share Grant

On 4 November 2022, the Company granted its eligible employees new ordinary shares of the Company under the PSG for the financial year ending 31 January 2023. There was no issuance of new ordinary shares under the PSG during the quarter under review.

There was no other corporate proposal announced by the Company in the quarter under review.

## B8. Utilisation of proceeds from the Public Issue

The initial public offering as at 16 December 2021 (“IPO”) proceeds of RM104.7 million was utilised in the following manner as of 30 April 2023:

Purpose	Intended Timeframe for Utilisation	Proposed Utilisation	%	Actual Utilisation	Balance as at 30 April 2023
		RM		RM	RM
Purchase of new machinery and equipment	within 24 months (1)	40,000,000	38.2	34,311,337	5,688,663
Repayment of bank borrowings	within 6 months (1)	29,520,000	28.2	29,520,000	-
Working capital	within 36 months (1)	28,128,600	26.9	28,128,600	-
Listing expenses	within 6 months (1)	7,085,000	6.7	7,085,000	-
<b>Total</b>		<b>104,733,600</b>	<b>100.0</b>	<b>99,044,937</b>	<b>5,688,663</b>

(1) From the date of IPO on 16 December 2021.

The unutilised amounts of RM5,688,663 have been fully earmarked for payments to suppliers of the machinery and equipment and is due to be utilized by the end of June 2023.

## B9. Utilisation of proceeds raised from the Private Placement

The utilisation of the Private Placement proceeds of RM77,725,060 (raised on 7 February 2023) was utilised in the following manner as of 30 April 2023:

Purpose	Intended Timeframe for Utilisation	Proposed Utilisation	%	Actual Utilisation	Balance as at 30 April 2023
		RM		RM	RM
Purchase of 3 additional surface mount technology lines	within 24 months (2)	25,000,000	32.2	-	25,000,000
Installation of Rooftop Solar	within 12 months (2)	2,000,000	2.6	755,000	1,245,000
Part repayment of bank facilities	within 3 months (2)	29,925,060	38.5	29,925,060	-
Investment for new manufacturing plant	within 24 months (2)	20,000,000	25.7	271,687	19,728,313
Expenses in relation to the Private Placement	within 6 months (2)	800,000	1.0	800,000	-
<b>Total</b>		<b>77,725,060</b>	<b>100.0</b>	<b>31,751,747</b>	<b>45,973,313</b>

(2) From the date of private placement of the Company shares on 7 February 2023.

## B10. Group's Borrowings and Debts Securities

The details of the Group's borrowings as at 30 April 2023 are as follows: -

	As at 1st quarter FYE 2024					
	Long term		Short term		Total borrowing	
	Foreign denomination ^	RM denomination ^	Foreign denomination ^	RM denomination ^	Foreign denomination ^	RM denomination ^
<b>Secured:</b>						
Bankers acceptances	-	-	-	-	-	-
Onshore foreign currency loan (OFCL)	-	-	-	-	-	-
Finance lease	-	200,050	-	51,886	-	251,936
Term loans/ Islamic financing	-	19,645,328	-	4,911,252	-	24,556,580
<b>Total</b>	-	<b>19,845,378</b>	-	<b>4,963,138</b>	-	<b>24,808,516</b>

	As at 1st quarter FYE 2023					
	Long term		Short term		Total borrowing	
	Foreign denomination ^	RM denomination ^	Foreign denomination ^	RM denomination ^	Foreign denomination ^	RM denomination ^
<b>Secured:</b>						
Bankers acceptances	-	-	-	24,785,000	-	24,785,000
Onshore foreign currency loan (OFCL)	-	-	61,999,313	-	61,999,313	-
Finance lease	-	-	-	64,078	-	64,078
Term loans/ Islamic financing	-	22,626,438	-	4,738,521	-	27,364,959
Revolving credit	-	-	-	-	-	-
<b>Total</b>	-	<b>22,626,438</b>	<b>61,999,313</b>	<b>29,587,599</b>	<b>61,999,313</b>	<b>52,214,037</b>

^ The borrowing for OFCL is denominated in USD with the current quarter closing foreign exchange rate at USD1.00 = RM4.417 compared to preceding year corresponding quarter of USD1.00 = RM4.2658.

The Group's borrowing facilities comprise of largely floating rate facilities bearing interest/profit rates ranging from 4.05% to 5.85% per annum during the quarter under review (immediate preceding quarter (4.08% to 5.75%). In order to reduce the impact of the interest hike, the Group decided to redeem all the trade facilities during the quarter under review.

The Group did not enter into any financial hedging instruments as at the date of this quarterly report.

There are no significant changes in the total borrowing and banking facilities as compared to the preceding quarter other than the reduction of total borrowing by RM69.0 million.

There is no unsecured borrowing during the quarter under review.

## B11. Material Litigation

BCM Electronics had, on 6 January 2021, received and disputed a writ of summon originated by JR for a total claim of RM267,428.26 for the purported sum owed to JR for the supply of foreign workers to BCM Electronics (“JR Suit”). On 7 October 2021, the Session Court allowed BCM Electronics to strike out the JR Suit. Upon appeal by JR, the High Court on 21 March 2022 affirmed the Session Court’s decision in favour of BCM Electronics. JR subsequently filed a further appeal to the Court of Appeal on 20 April 2022. The leave application to the Court of Appeal of Malaysia by JR was heard on 30 March 2023 resulting in the application being struck out by the Court of Appeal without claim. JR has exhausted all the legal avenues for bringing further action against BCM Electronics pursuant to the leave application to the Court of Appeal of Malaysia.

## B12. Dividends

Save as disclosed in Note A9 above, there was no dividend that has been declared or recommended for payment by the Directors of the Company during the financial year-to-date under review.

## B13. Earning Per Shares (“EPS”)

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

The calculation of earnings per ordinary share is calculated based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding at the respective individual quarters as follows:

	Individual quarter ended		Cumulative quarter ended	
	30 April 2023	31 April 2022	30 April 2023	31 April 2022
<b>(i) Basic EPS</b>				
Profit attributable to ordinary equity owners of the Company (RM)	8,061,904	5,015,168	8,061,904	5,015,168
<b>Earnings per ordinary share attributable to owners of the Company</b>				
Weighted average number of ordinary shares	391,583,303	358,180,000	391,583,303	358,180,000
Earnings per ordinary share (sen)	<u>2.06</u>	<u>1.40</u>	<u>2.06</u>	<u>1.40</u>
<b>(ii) Diluted EPS</b>				
Profit attributable to ordinary equity owners of the Company (RM)	8,061,904	5,015,168	8,061,904	5,015,168
<b>Earnings per ordinary share attributable to owners of the Company</b>				
Weighted average number of ordinary shares	391,908,303	358,180,000	391,908,303	358,180,000
Earnings per ordinary share (sen)	<u>2.06</u>	<u>1.40</u>	<u>2.06</u>	<u>1.40</u>

#### **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.