



**CAPE EMS BERHAD**  
**(FORMERLY KNOWN AS CAPE EMS MANUFACTURING (M) BERHAD)**  
**(Registration No.: 199901026859 (501759 M))**  
**(Incorporated in Malaysia)**

**INTERIM FINANCIAL REPORT**  
**FIRST QUARTER ENDED 31 MARCH 2023**

**CAPE EMS BERHAD**  
**(FORMERLY KNOWN AS CAPE EMS MANUFACTURING (M) BERHAD)**  
(Incorporated in Malaysia)  
**(Registration No.: 199901026859 (501759 M))**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023 <sup>(3)</sup>**

	<u>31.3.2023</u>	<u>31.12.2022</u>
	Unaudited	Audited
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	216,771	217,420
Investment properties	9,800	9,800
Goodwill on acquisition	6,244	6,244
Deferred tax assets	839	839
	<hr/>	<hr/>
Total non-current assets	233,654	234,303
	<hr/>	<hr/>
<b>Current assets</b>		
Inventories	33,894	38,616
Trade receivables	210,336	144,345
Other receivables	14,153	16,124
Current tax assets	934	797
Fixed deposits with licensed banks	10,730	9,240
Cash and bank balances	175,023	32,096
	<hr/>	<hr/>
	445,070	241,218
	<hr/>	<hr/>
Non-current assets held for sale	8,818	8,818
	<hr/>	<hr/>
Total current assets	453,888	250,036
	<hr/>	<hr/>
<b>Total assets</b>	<b>687,542</b>	<b>484,339</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital <sup>(1)</sup>	250,974	100,000
Exchange translation reserve	545	420
Revaluation reserve	25,550	25,683
Retained profits	77,555	68,922
	<hr/>	<hr/>
<b>Total equity</b>	<b>354,624</b>	<b>195,025</b>
	<hr/>	<hr/>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Lease liabilities	40,175	43,160
Loans and borrowings	73,679	74,246
Deferred tax liabilities	9,218	9,261
	<hr/>	<hr/>
Total non-current liabilities	123,072	126,667
	<hr/>	<hr/>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023 <sup>(3)</sup> (CONT'D)**

	<u>31.3.2023</u>	<u>31.12.2022</u>
	Unaudited	Audited
	RM'000	RM'000
<b>EQUITY AND LIABILITIES (CONT'D)</b>		
<b>Liabilities (Cont'd)</b>		
<b>Current liabilities</b>		
Trade payables	120,166	72,848
Other payables	8,944	13,327
Amount due to related parties	-	11
Lease liabilities	11,237	10,126
Loans and borrowings	65,518	64,361
Current tax liabilities	3,981	1,974
	<hr/>	<hr/>
Total current liabilities	209,846	162,647
	<hr/>	<hr/>
<b>Total liabilities</b>	332,918	289,314
	<hr/>	<hr/>
<b>Total equity and liabilities</b>	687,542	484,339
	<hr/> <hr/>	<hr/> <hr/>
<b>Net assets per share attributable to owners of the</b>		
<b>Company (RM) <sup>(2)</sup></b>	0.38	0.26
	<hr/> <hr/>	<hr/> <hr/>

**Note:**

- (1) Based on 923,000,000 and 750,000,000 ordinary shares in issue as at 31 March 2023 and 31 December 2022 respectively.
- (2) Net assets per share attributable to owners of the Company is calculated based on equity attributable to owners of the Company divided by the total number of ordinary shares in issue.
- (3) The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 <sup>(2)</sup>**

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<u>31.3.2023</u>	<u>31.3.2022</u> <sup>(1)</sup>	<u>31.3.2023</u>	<u>31.3.2022</u> <sup>(1)</sup>
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	137,349	N/A	137,349	N/A
Cost of sales	<u>(115,800)</u>	<u>N/A</u>	<u>(115,800)</u>	<u>N/A</u>
Gross profit	21,549	N/A	21,549	N/A
Other income	884	N/A	884	N/A
Finance income	349	N/A	349	N/A
Administration expenses	(7,767)	N/A	(7,767)	N/A
Distribution costs	(397)	N/A	(397)	N/A
Other expenses	(361)	N/A	(361)	N/A
Finance costs	<u>(2,694)</u>	<u>N/A</u>	<u>(2,694)</u>	<u>N/A</u>
Profit before tax	11,563	N/A	11,563	N/A
Income tax expense	<u>(3,063)</u>	<u>N/A</u>	<u>(3,063)</u>	<u>N/A</u>
Profit for the financial period	<u>8,500</u>	<u>N/A</u>	<u>8,500</u>	<u>N/A</u>
<b>Other comprehensive income, net of tax</b>				
<b>Items that will not be reclassified</b>				
<b>subsequently to profit or loss</b>				
Realisation of revaluation reserve upon depreciation of revalued assets	133	N/A	133	N/A
Transfer of revaluation reserve to retained profits	(133)	N/A	(133)	N/A
Foreign currency translation differences for foreign operation, net of tax	<u>125</u>	<u>N/A</u>	<u>125</u>	<u>N/A</u>
<b>Other comprehensive income for the financial period</b>	<u>125</u>	<u>N/A</u>	<u>125</u>	<u>N/A</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 <sup>(2)</sup> (CONT'D)**

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<u>31.3.2023</u>	<u>31.3.2022</u> <sup>(1)</sup>	<u>31.3.2023</u>	<u>31.3.2022</u> <sup>(1)</sup>
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
<b>Total comprehensive income for the financial period</b>	<u>8,625</u>	<u>N/A</u>	<u>8,625</u>	<u>N/A</u>
<b>Profit attributable to:-</b>				
Owners of the Company	<u>8,500</u>	<u>N/A</u>	<u>8,500</u>	<u>N/A</u>
<b>Total comprehensive income attributable to:-</b>				
Owners of the Company	<u>8,625</u>	<u>N/A</u>	<u>8,625</u>	<u>N/A</u>
<b>Earnings per share</b>				
- Basic (sen)	<u>1.07</u>	<u>N/A</u>	<u>1.07</u>	<u>N/A</u>
- Diluted (sen)	<u>1.07</u>	<u>N/A</u>	<u>1.07</u>	<u>N/A</u>

**Note:**

<sup>(1)</sup> There are no comparative figures for the preceding's year corresponding quarter and preceding year's cumulative quarter as Cape EMS Berhad (*formerly known as Cape EMS Manufacturing (M) Berhad*) ("Company") was listed on the Main Market of Bursa Malaysia Securities Berhad on 10 March 2023 and as such no interim financial report was prepared for the comparative financial period concerned. The interim financial report announced is in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

<sup>(2)</sup> The unaudited condensed consolidated statement of profit or loss and comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.

N/A - Not applicable

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 <sup>(1)</sup>**

	← Attributable to owners of the Company →				Total equity
	Share capital	Non-distributable Exchange translation reserve	Revaluation reserve	Distributable Retained profits	
<b>Unaudited</b>	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2023	100,000	420	25,683	68,922	195,025
<b>Transaction with owners:</b>					
Share issued	155,700	-	-	-	155,700
Share issuance expenses	(4,726)	-	-	-	(4,726)
Total transaction with owners	150,974	-	-	-	150,974
Profit for the financial period	-	-	-	8,500	8,500
Other comprehensive income for the financial period	-	125	(133)	133	125
Total comprehensive income for the financial period	-	125	(133)	8,633	8,625
Balance at 31 March 2023	250,974	545	25,550	77,555	354,624

**Note:**

- <sup>(1)</sup> The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 <sup>(2)</sup>**

	<b>3 months ended</b>	
	<u>31.3.2023</u> Unaudited RM'000	<u>31.3.2022<sup>(1)</sup></u> Unaudited RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	11,563	N/A
<b>Adjustments for:-</b>		
Depreciation of property, plant and equipment	3,155	N/A
Depreciation of right-of-use assets	1,944	N/A
Interest expense	1,968	N/A
Interest income	(349)	N/A
Lease liabilities interest expense	726	N/A
Unrealised loss on foreign exchange	345	N/A
	<hr/>	<hr/>
Operating profit before working capital changes	19,352	N/A
Changes in working capital:-		
Inventories	4,721	N/A
Receivables	(62,059)	N/A
Payables	41,566	N/A
Related parties	(11)	N/A
	<hr/>	<hr/>
Cash flows generated from operations	3,569	N/A
Tax paid	(1,311)	N/A
	<hr/>	<hr/>
Net cash flows from operating activities	2,258	N/A
	<hr/>	<hr/>
<b>INVESTING ACTIVITIES</b>		
Interest received	327	N/A
Payments to acquire property, plant and equipment	(1,036)	N/A
	<hr/>	<hr/>
Net cash flows used in investing activities	(709)	N/A
	<hr/>	<hr/>
<b>FINANCING ACTIVITIES</b>		
Share capital issued	150,974	N/A
Interest paid	(1,968)	N/A
Lease liabilities interest paid	(726)	N/A
Net short-term borrowings	2,111	N/A
Placement of fixed deposits pledged to licensed banks	(1,467)	N/A
Repayment of term loans	(1,849)	N/A
Repayment of lease liabilities - principal portion	(2,350)	N/A
	<hr/>	<hr/>
Net cash flows from financing activities	144,725	N/A
	<hr/>	<hr/>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 <sup>(2)</sup> (CONT'D)**

	<b>3 months ended</b>	
	<u>31.3.2023</u> Unaudited RM'000	<u>31.3.2022<sup>(1)</sup></u> Unaudited RM'000
<b>CASH AND CASH EQUIVALENTS</b>		
Net changes	146,274	N/A
Effect of exchange rate changes	135	N/A
At beginning of year	<u>25,665</u>	<u>N/A</u>
At end of year	<u><u>172,074</u></u>	<u><u>N/A</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Cash and bank balances	175,023	N/A
Fixed deposits with licensed banks	10,730	N/A
Bank overdrafts	<u>(2,949)</u>	<u>N/A</u>
	182,804	N/A
Less: Fixed deposits with licensed banks pledged to banks	<u>(10,730)</u>	<u>N/A</u>
	<u><u>172,074</u></u>	<u><u>N/A</u></u>

**Note:**

- (1) There are no comparative figures for the preceding's year corresponding quarter and preceding year's cumulative quarter as Cape EMS Berhad (*formerly known as Cape EMS Manufacturing (M) Berhad*) ("Company") was listed on the Main Market of Bursa Malaysia Securities Berhad on 10 March 2023 and as such no interim financial report was prepared for the comparative financial period concerned. The interim financial report announced is in compliance with the Listing Requirements.
- (2) The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financials statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.

N/A - Not applicable





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**PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING AND INTERNATIONAL ACCOUNTING STANDARDS (“IAS”) 34: INTERIM FINANCIAL REPORTING**

**A1. Basis of Preparation**

This condensed consolidated interim financial report is unaudited and has been prepared in accordance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) (“MFRS 134”) and IAS 134: *Interim Financial Reporting* issued by the International Accounting Standard Board (“IASB”) (“IAS 134”).

This unaudited condensed consolidated interim financial report should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this condensed consolidated interim financial report.

**A2. Significant Accounting Policies**

The accounting policies and presentations adopted by the Company and its subsidiaries (“Group”) are consistent with those adopted for the audited financial statements of the Group for the financial year ended 31 December 2022, except for the adoption of the following new accounting standards, interpretations and amendments issued by Malaysian Accounting Standards Board (“MASB”).

**MFRS and amendments to MFRS adopted during the financial period**

The Group has applied the following amendments to published standards approved by MASB for the first time for the period 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\*
- Amendment 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

\* Not applicable to the Group’s operations.

The adoption of abovementioned MFRS and amendments to MFRS do not have material impact on the interim financial statements of the Group.



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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 AND IAS 134 (CONT'D)**

**A2. Significant Accounting Policies (Cont'd)**

**Amendments to MFRS in issue but not yet effective**

The following are Amendments to MFRS with effective date on or after 1 January 2024 issued by MASB and they have not been early adopted by the Group. The Group intends to adopt these amendments to the published standards, if applicable, when they become effective in the respective period.

**(a) Effective for period 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

**(b) Amendments effective for a 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 amendments to the published standards is not expected to have any material impact to the current year and prior year financial statements of the Group upon its first adoption.

**A3. Auditors' Report**

The audited consolidated financial statements of the Group for the financial year ended 31 December 2022 were not subject to any audit qualification.

**A4. Seasonal or Cyclical Factors**

The Group's operations are not subject to any significant seasonal or cyclical factors.

**A5. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group for the current quarter and financial period under review.

**A6. Significant Changes in Accounting Estimates**

There were no material changes in estimates that have any material effect in the current quarter and financial period under review.



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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 AND IAS 134 (CONT'D)**

**A7. Debt and Equity Securities**

Save as disclosed in Note B6, there were no issuance and repayment of debts and equity securities during the current quarter and financial period under review.

**A8. Dividends Paid**

There are no dividends declared or paid during the current quarter and financial period under review.

**A9. Property, plant and equipment**

The Group acquired property, plant and equipment amounting to RM4.4 million during the financial period under review.

There were no material disposals of property, plant and equipment during the financial period under review.

**A10. Impairment losses**

There were no significant impairment losses or reversal of impairment losses arising from property, plant and equipment, financial assets or other assets during the current quarter and financial period under review.

**A11. Segment Information**

The Group is principally involved in electronics manufacturing services (“EMS”) and other related supporting goods and services. The Managing Director/Group Chief Executive Officer, who is the Group’s chief operating decision maker monitors the segment performance of electronics manufacturing services and other related supporting goods and services in aggregate due to the inter-related nature of the two revenue streams. Segmental information is not prepared as the die casting and machining segment has not met the quantitative thresholds for reporting segment.

The Group’s non-current assets located outside Malaysia are not material and therefore not separately disclosed.

**Revenue segmented by geographical markets**

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<u>31.3.2023</u>	<u>31.3.2022<sup>(1)</sup></u>	<u>31.3.2023</u>	<u>31.3.2022<sup>(1)</sup></u>
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Asia	69,752	N/A	69,752	N/A
Americas	65,982	N/A	65,982	N/A
Europe	1,615	N/A	1,615	N/A
	<u>137,349</u>	<u>N/A</u>	<u>137,349</u>	<u>N/A</u>



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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 AND IAS 134 (CONT'D)**

**A11. Segment Information (Cont'd)**

**Revenue segmented by geographical markets (cont'd)**

**Note:**

- <sup>(1)</sup> There are no comparative figures for the preceding's year corresponding quarter and preceding year's cumulative quarter as the Company was listed on the Main Market of Bursa Malaysia Securities Berhad on 10 March 2023 and as such no interim financial report was prepared for the comparative financial period concerned. This is the Company's second interim financial report announced in compliance with the Listing Requirements.

N/A – Not applicable

**A12. Material Events Subsequent to the Statement of Financial Position Date**

Saved as disclosed in Note B6, there were no material events subsequent to the end of the current financial period under review that have not been reflected in this condensed consolidated interim financial report.

**A13. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current financial period under review.

**A14. Contingent Liabilities**

There were no material contingent liabilities since the end of the last audited consolidated financial statements for the financial year ended 31 December 2022.

**A15. Capital Commitments**

	<u>31.3.2023</u>	<u>31.12.2022</u>
	Unaudited	Audited
	RM'000	RM'000
<b>Authorised and contracted for:</b>		
Plant and machinery	7,461	11,280
Renovation and electrical installation	327	178
Equipment, furniture and fittings	32	-
	<u>7,820</u>	<u>11,458</u>

**A16. Significant Related Party Transactions**

There were no significant related party transactions for the current quarter and financial period under review.



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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 AND IAS 134 (CONT'D)**

**A17. Derivatives**

There were no derivatives used in the current quarter and financial period under review.

**A18. Fair Value of Financial Liabilities**

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

**PART B: ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS**

**B1. Review of Performance**

**Current quarter against corresponding quarter**

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<u>31.3.2023</u>	<u>31.3.2022<sup>(1)</sup></u>	<u>31.3.2023</u>	<u>31.3.2022<sup>(1)</sup></u>
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	137,349	N/A	137,349	N/A
Profit before tax	11,563	N/A	11,563	N/A
Profit after tax	8,500	N/A	8,500	N/A

The Group achieved a revenue of RM137.3 million for the current quarter and the financial period-to-date. The revenue is mainly contributed by EMS of box build including industrial and consumer electronic products. During the financial period under review, the Group successfully secured a new customer for EMS of industrial electronic products for thermal energy devices.

The Group recognised a profit before tax and profit after tax of RM11.6 million and RM8.5 million respectively for the current quarter and the financial period-to-date, after accounted for listing expenses of approximately RM4.1 million.

**Note:**

<sup>(1)</sup> There are no comparative figures for the preceding's year corresponding quarter and preceding year's cumulative quarter as the Company was listed on the Main Market of Bursa Malaysia Securities Berhad on 10 March 2023 and as such no interim financial report was prepared for the comparative financial period concerned. This is the Company's second interim financial report announced in compliance with the Listing Requirements.

N/A – Not applicable



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**PART B: ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**

**B2. Comparison with Immediate Preceding Quarter**

	<b>Individual quarter</b>		<b>Variance (%)</b>
	<b>3 months ended</b>		
	<u>31.3.2023</u>	<u>31.12.2022</u>	
	Unaudited	Unaudited	
	RM'000	RM'000	
Revenue	137,349	118,204	16.2
Profit before tax	11,563	9,903	16.8
Profit after tax ("PAT")	<u>8,500</u>	<u>8,932</u>	<u>(4.8)</u>
Reconciliation of PAT to normalised PAT	8,500	8,932	(4.8)
Add:			
Listing expenses	<u>4,145</u>	<u>-</u>	
Normalised PAT <sup>(1)</sup>	<u>12,645</u>	<u>8,932</u>	<u>41.6</u>

The Group's revenue increased by RM19.1 million or 16.2%, to RM137.3 million as compared to the preceding quarter, mainly attributable to the increase in sales from EMS by securing a new customer for EMS of industrial electronic products for thermal energy devices, as well as increase in orders for consumer electronic products and die casting manufacturing in the current quarter.

The increase in the Group's profit before tax by RM1.7 million or 16.8% reflected the increase in revenue after accounted for listing expenses of approximately RM4.1 million.

Normalised PAT increased by RM3.7 million or 41.6% mainly attributable to favourable exchange movements between Malaysia Ringgit and United States Dollar resulting in foreign exchange gain, as well as lower administrative expenses in the current quarter.

**Note:**

<sup>(1)</sup> Normalised PAT is calculated based on the profit for the financial period plus the listing expenses related to the initial public offering of the Company.



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**PART B: ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**

**B3. Prospects for the Group**

The Group's strategic focus revolves around its core competency in providing EMS of industrial electronic products, complemented by its capabilities in aluminium die cast manufacturing, sourcing, procurement capabilities, marketing and distribution added services.

The Group believes that the EMS markets holds favourable prospects globally, driven by increasing demand for outsourced manufacturing, technological advancements, market expansion in emerging economies and integration of Industry 4.0 technologies. These factors present opportunities for the Group as an EMS provider to meet diverse industries' needs.

Despite facing a challenging global landscape characterised by factors such as continuous interest rate hikes, persistent US-China trade tension, global semiconductor component shortages, supply chain disruptions, labour supply shortages, ongoing Ukraine-Russia conflict, higher utility prices, recessionary pressures and inflationary pressures are abound, the Group remains vigilant. The Group continues to monitor the strong demand in the industrial electronic products' market while maintaining the Group's efficiency and competitiveness for time to market. At this juncture, the order flow from our customers remains strong.

Barring any unforeseen circumstances, the Board is optimistic about the Group's performance and leveraging on its competitive advantages expects the Group's expansion to contribute positively to its financial performance in the future.

**B4. Profit Forecast**

Not applicable as the Group did not issue any profit forecast during the financial period under review.

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	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<u>31.3.2023</u>	<u>31.3.2022<sup>(1)</sup></u>	<u>31.3.2023</u>	<u>31.3.2022<sup>(1)</sup></u>
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Current tax expense	3,105	N/A	3,105	N/A
Realisation of deferred tax upon depreciation of revalued assets	(42)	N/A	(42)	N/A
	<b>3,063</b>	<b>N/A</b>	<b>3,063</b>	<b>N/A</b>
Effective tax rate (%) <sup>(2)</sup>	26.5	N/A	26.5	N/A

**Note:**

<sup>(1)</sup> There are no comparative figures for the preceding's year corresponding quarter and preceding year's cumulative quarter as the Company was listed on the Main Market of Bursa Malaysia Securities Berhad on 10 March 2023 and as such no interim financial report was prepared for the comparative financial period concerned. This is the Company's second interim financial report announced in compliance with the Listing Requirements.

N/A – Not applicable

<sup>(2)</sup> The overall effective tax rate of 26.5% was higher than the statutory tax rate of 24.0% mainly due to certain non-deductible expenses for tax purposes.

**B6. Status of Corporate Proposals**

Save as disclosed below, there were no other corporate proposals announced by the Company but not completed as at the date of this condensed consolidated interim financial report.

In conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad, the Company undertook an initial public offering ("IPO") comprising the public issue of 173,000,000 new ordinary shares in the Company and the offer for sale of 86,700,000 ordinary shares in the Company at a price of RM0.90 per share.

The listing of and quotation for the Company's entire issued share capital on the Main Market of Bursa Malaysia Securities Berhad was completed on 10 March 2023.





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**PART B: ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**

**B7. Utilisation of Proceeds from the Public Issue**

The gross proceeds from the Public Issue of RM155,700,000 are expected to be used in the following manner:

Details of use of proceeds	Estimated timeframe for use from the date of Listing	Proposed utilisation	Actual utilisation up to 31.3.2023	Re-allocation	Balance unutilised
		RM'000	RM'000	RM'000	RM'000
Construction of New Senai 226 Warehouse and installation of automated storage facilities	Within 48 months	53,105	-	-	53,105
Setting-up of new cleanroom facility and purchase of new automated production lines for EMS operations	Within 24 months	62,810	-	-	62,810
Installation of energy saving cooling system	Within 24 months	3,688	-	-	3,688
Purchase of new machinery and equipment for die cast manufacturing related services	Within 12 months	4,599	-	-	4,599
Working capital	Within 12 months	20,498	-	1,479 <sup>(1)</sup>	21,977
Estimated listing expenses	Within 3 months	11,000	9,521	(1,479) <sup>(1)</sup>	-
<b>Total estimated proceeds</b>		<b>155,700</b>	<b>9,521</b>	<b>-</b>	<b>146,179</b>

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

**Note:**

- <sup>(1)</sup> The unutilised balance of RM1.5 million allocated for estimated listing expenses were allocated to working capital in the current quarter and financial period under review.



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**PART B: ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**

**B8. Borrowings and Lease Liabilities**

	<u>31.3.2023</u> Unaudited RM'000	<u>31.12.2022</u> Audited RM'000
<b>Borrowings</b>		
<i>Secured:</i>		
<u>Current</u>		
Term loans	8,494	6,837
Bank overdrafts	2,949	6,430
Short-term financing	54,075	51,094
	<hr/>	<hr/>
	65,518	64,361
<u>Non-current</u>		
Term loans	73,679	74,246
	<hr/>	<hr/>
	<b>139,197</b>	<b>138,607</b>
	<hr/> <hr/>	<hr/> <hr/>
Borrowings denominated in the following currencies:		
Ringgit Malaysia	99,312	108,825
United States Dollar	39,885	29,782
	<hr/>	<hr/>
	<b>139,197</b>	<b>138,607</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Lease liabilities</b>		
Current	11,237	10,126
Non-current	40,175	43,160
	<hr/>	<hr/>
	<b>51,412</b>	<b>53,286</b>
	<hr/> <hr/>	<hr/> <hr/>

**B9. Material litigation**

The 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 the Group.

**B10. Dividends**

There are no dividends declared or paid during the current quarter and financial period under review.



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**PART B: ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**

**B11. Earnings per share (“EPS”)**

The basic and diluted EPS for the current quarter and financial period under review is computed as follows:

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<u>31.3.2023</u>	<u>31.3.2022<sup>(3)</sup></u>	<u>31.3.2023</u>	<u>31.3.2022<sup>(3)</sup></u>
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Profit attributable to the owners of the Company	8,500	N/A	8,500	N/A
Weighted average number of ordinary shares in issue (basic) (unit) <sup>(1)</sup>	791,824	N/A	791,824	N/A
Basic EPS (sen)	<b>1.07</b>	<b>N/A</b>	<b>1.07</b>	<b>N/A</b>

**Note:**

- <sup>(1)</sup> Calculated on the basis of the weighted average of 750,000,000 ordinary shares before listing and 923,000,000 ordinary shares after the listing of Company on the Main Market of Bursa Malaysia Securities Berhad on 10 March 2023.
- <sup>(2)</sup> The Company does not have any dilutive potential ordinary shares as at end of the current quarter and financial period under review.
- <sup>(3)</sup> There are no comparative figures for the preceding's year corresponding quarter and preceding year's cumulative quarter as the Company was listed on the Main Market of Bursa Malaysia Securities Berhad on 10 March 2023 and as such no interim financial report was prepared for the comparative financial period concerned. This is the Company's second interim financial report announced in compliance with the Listing Requirements.

N/A – Not applicable



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**PART B: ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**

**B12. Profit before tax <sup>(1)</sup>**

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<u>31.3.2023</u>	<u>31.3.2022<sup>(2)</sup></u>	<u>31.3.2023</u>	<u>31.3.2022<sup>(2)</sup></u>
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	3,155	N/A	3,155	N/A
Depreciation of right-of-use assets	1,944	N/A	1,944	N/A
Expenses relating to short-term leases	97	N/A	97	N/A
Finance costs	2,694	N/A	2,694	N/A
Finance income	(349)	N/A	(349)	N/A
Foreign exchange (gain)/loss:				
- realised	(782)	N/A	(782)	N/A
- unrealised	345	N/A	345	N/A

**Note:**

- <sup>(1)</sup> Save as disclosed above, the other disclosure items pursuant to Paragraph 16, Part A of Appendix 9B of the Listing Requirements are not applicable.
- <sup>(2)</sup> There are no comparative figures for the preceding's year corresponding quarter and preceding year's cumulative quarter as the Company was listed on the Main Market of Bursa Malaysia Securities Berhad on 10 March 2023 and as such no interim financial report was prepared for the comparative financial period concerned. This is the Company's second interim financial report announced in compliance with the Listing Requirements.

N/A – Not applicable