



CPE TECHNOLOGY BERHAD  
Registration No.: 202101015732 (1416032-X)  
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30  
JUNE 2024

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

Items	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter <sup>(2)</sup>	Current Period-to-date	Preceding Year Corresponding Period-to-date <sup>(2)</sup>
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Revenue	23,155	N/A	90,070	145,275
Cost of sales	(18,525)	N/A	(66,915)	(93,768)
<b>Gross Profit</b>	<b>4,630</b>	<b>N/A</b>	<b>23,155</b>	<b>51,507</b>
Other income	922	N/A	1,533	1,050
Other gains/ (losses), net	(10)	N/A	112	1,259
Selling and marketing expenses	(655)	N/A	(2,405)	(2,300)
General and administrative expenses	(2,575)	N/A	(10,605)	(10,866)
<b>Operating profit</b>	<b>2,312</b>	<b>N/A</b>	<b>11,790</b>	<b>40,650</b>
Finance income	1,581	N/A	3,604	41
Finance costs	(228)	N/A	(1,121)	(1,590)
Finance income/(costs) , net	1,353	N/A	2,483	(1,549)
<b>Profit Before Tax</b>	<b>3,665</b>	<b>N/A</b>	<b>14,273</b>	<b>39,101</b>
Tax expense	(1,086)	N/A	(3,168)	(8,808)
<b>Profit After Tax</b>	<b>2,579</b>	<b>N/A</b>	<b>11,105</b>	<b>30,293</b>
<b>Other comprehensive income for the financial period, net of tax:</b>		N/A		
Currency translation differences	(470)	N/A	498	3,805
<b>Total comprehensive income for the financial period</b>	<b>2,109</b>	<b>N/A</b>	<b>11,603</b>	<b>34,098</b>
<b>Basic earnings per share (sen) <sup>(3)</sup></b>	<b>0.38</b>	<b>N/A</b>	<b>1.86</b>	<b>6.02</b>
<b>Diluted earnings per share (sen) <sup>(4)</sup></b>	<b>0.38</b>	<b>N/A</b>	<b>1.86</b>	<b>6.02</b>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 30 JUNE 2024 (CONT'D) <sup>(1)</sup>**

Notes:

- (1) 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 CPE Technology Berhad ("**CPE Technology**" or the "**Company**") and its subsidiaries ("**CPE Technology Group**" or the "**Group**") dated 20 November 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding financial year's corresponding quarter and period-to-date are presented as this is the fourth interim financial report announced by the Group in compliance with the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**").
- (3) Basic EPS for current quarter and year-to-date period ended 30 June 2024 are computed based on profit attributable to owners of CPE Technology Berhad divided by weighted average number of ordinary shares in issue.
- (4) The diluted EPS of the Group for the current financial quarter and financial period to date ended 30 June 2024 is equivalent to the basic EPS as the Group does not have any convertible options at the end of the reporting period.

N/A Not applicable.

***The rest of this page has been intentionally left blank***

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

	As at 30 June 2024 (Unaudited) RM'000	As at 30 June 2023 (Audited) RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	56,802	62,639
Right-of-use assets	2,375	3,460
Deferred tax assets	140	276
Deposits with licensed banks	893	872
	<b>60,210</b>	<b>67,247</b>
<b>CURRENT ASSETS</b>		
Inventories	45,186	53,667
Receivables, deposits and prepayments	22,052	21,586
Contract assets	118	146
Current tax receivable	2,997	220
Deposits, cash and bank balances	212,885	52,719
	<b>283,238</b>	<b>128,338</b>
<b>CURRENT LIABILITIES</b>		
Payables and accrued liabilities	11,328	17,101
Current tax provision	2,753	4,437
Borrowings	4,635	7,652
Lease liabilities	805	1,179
	<b>19,521</b>	<b>30,369</b>
<b>NET CURRENT ASSETS</b>	<b>323,927</b>	<b>165,216</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	263,757	91,397
Capital reorganisation reserves	(86,215)	(86,215)
Currency translation reserves	5,731	5,233
Retained profits	130,658	127,273
Shareholders' equity	<b>313,931</b>	<b>137,688</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	5,881	23,091
Lease liabilities	1,528	2,145
Deferred tax liabilities	2,587	2,292
	<b>9,996</b>	<b>27,528</b>
	<b>323,927</b>	<b>165,216</b>
Net assets per share (sen) <sup>(2)</sup>	<b>48.25</b>	<b>27.35</b>



**CPE TECHNOLOGY BERHAD**  
(Registration No. 202101015732 (1416032-X))  
(Incorporated in Malaysia)

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

Notes:

- (1) 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 20 November 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) In the calculation of net assets per ordinary share is calculated based on the Company's enlarged number of ordinary shares as at 30 June 2024 of 671,314,791 ordinary shares (30 June 2023: 503,486,091 shares).

***The rest of this page has been intentionally left blank***

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 30 JUNE 2024 <sup>(1) (2)</sup>**

	Share capital RM'000	Capital reorgani- sation reserve RM'000	Currency translation reserve RM'000	Retained profits RM'000	Total RM'000
As at 1 July 2023	91,397	(86,215)	5,233	127,273	137,688
<b>Total Comprehensive Income:</b>					
- Net profit for the financial period	-	-	-	11,105	11,105
- Other comprehensive income for the financial period, net of tax	-	-	498	-	498
	91,397	(86,215)	5,731	138,378	149,291
<b>Transaction with Owners of the Company</b>					
Issuance of shares pursuant to					
Initial Public Offerings	179,577	-	-	-	179,577
Share issuances expenses	(7,217)	-	-	-	(7,217)
Dividend paid	-	-	-	(7,720)	(7,720)
	172,360	-	-	(7,720)	164,640
As at 30 June 2024	263,757	(86,215)	5,731	130,658	313,931

Notes:

- (1) The Unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding year are presented as this is the fourth interim financial report announced by the Group in compliance with the Listing Requirements.

***The rest of this page has been intentionally left blank***

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FOURTH QUARTER ENDED 30 JUNE 2024 <sup>(1)</sup>**

	CUMULATIVE QUARTER	
	Current Period-to-date	Preceding Year Corresponding Period-to-date <sup>(2)</sup>
	30 June 2024	30 June 2023
	RM'000	RM'000
<b>OPERATING CASH FLOWS</b>		
Profit after taxation	11,105	30,293
Adjustments for:		
Property, plant and equipment:		
- depreciation	7,814	7,453
- written off	-	81
Amortisation of right-of-use assets	1,249	1,031
Finance income	(3,604)	(41)
Finance costs	1,094	1,590
Gain on disposal of property, plant and equipment	(64)	(131)
Unrealised foreign exchange loss	389	347
Provision for slow moving inventories	1,046	296
Tax expenses	3,168	8,808
	22,197	49,727
Changes in working capital:		
Inventories	7,435	(12,385)
Receivables	(466)	9,724
Contract assets	28	-
Payables	(5,773)	1,162
Cash generated from/(used in) operations	23,421	48,228
Tax paid	(7,198)	(9,662)
Net operating cash flow	16,223	38,566
<b>INVESTING CASH FLOWS</b>		
Property, plant and equipment		
- purchases	(1,977)	(1,531)
Proceed from disposal of property, plant and equipment	64	131
Interest received	3,583	41
Additional fixed deposits pledged	-	(79)
Net investing cash flow	1,670	(1,438)

*The rest of this page has been intentionally left blank*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FOURTH QUARTER ENDED 30 JUNE 2024 (CONT'D) <sup>(1)</sup>**

	CUMULATIVE QUARTER	
	Current Period-to-date	Preceding Year Corresponding Period-to-date <sup>(2)</sup>
	30 June 2024	30 June 2023
	RM'000	RM'000
<b>FINANCING CASH FLOWS</b>		
Drawn down of trust receipts	-	4,287
Proceeds from issuance of shares	179,577	-
Payment of share issuance expenses	(7,217)	-
Interest paid	(1,094)	(1,590)
Repayments of term loans	(13,490)	(882)
Repayment of trust receipts	(327)	(5,588)
Repayments of hire-purchase liabilities	(6,410)	(7,337)
Repayments of lease liabilities	(1,169)	(1,044)
Dividend Paid	(7,720)	-
Net financing cash flow	142,150	(12,154)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	160,043	24,974
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	52,719	26,815
EFFECT OF CHANGES IN EXCHANGE RATES OF CASH AND CASH EQUIVALENTS	123	930
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	212,885	52,719

Notes:

- (1) The Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding financial year's corresponding period-to-date is available as this is the fourth interim financial report announced in compliance with the Listing Requirements.

N/A Not applicable.

*The rest of this page has been intentionally left blank*



**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

**A1. BASIS OF PREPARATION**

This condensed consolidated interim financial report has been prepared in accordance with MFRS 134 – *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This is the fourth interim financial report on the Group’s unaudited consolidated results for the fourth quarter ended 30 June 2024 announced by the Group in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding corresponding period.

The condensed consolidated interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the prospectus of the Group dated 20 November 2023 and the accompanying explanatory notes in this report. The explanatory notes attached to this Condensed Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of our Group since the year ended 30 June 2023.

**A2. Significant Accounting Policies**

The significant accounting policies and presentations adopted by our Group are consistent with those adopted in the financial statements for the year ended 30 June 2023, except for the adoption of the following standards which are effective for annual periods beginning on and after 1 July 2023.

- (i) Financial year beginning on or after 1 July 2023:

MFRS 17 ‘Insurance Contracts’	Effective 1 January 2023
Amendments to MFRS 17 ‘Insurance Contracts’	Effective 1 January 2023
Amendments to MFRS 101 ‘Presentation of Financial Statements’ and MFRS Practice Statement 2 on ‘Disclosure of Accounting Policies’	Effective 1 January 2023
Amendments to MFRS 108 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ on ‘Definition of Accounting Estimates’	Effective 1 January 2023
Amendments to MFRS 112 ‘Deferred Tax related to Assets and Liabilities Arising from a Single Transaction’	Effective 1 January 2023
Amendments to MFRS 112 on International Tax Reform – Pillar Two Model Rules	Effective immediate and on 1 January 2023

***The rest of this page has been intentionally left blank***

**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024 (CONT'D)**

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

(ii) Financial year beginning on or after 1 July 2024:

Amendments to MFRS 101 'Classification of Liabilities as Current or Non-current Liabilities and Deferral of Effective Date' (2021 Amendments) and Non-current Liabilities with Covenants (2022 Amendments)	Effective 1 January 2024
Amendments to MFRS 16 "Leases" on 'Lease Liability in a Sale and Leaseback'	Effective 1 January 2024
Amendments to MFRS 107 and MFRS 7 on Supplier-Finance Arrangements	Effective 1 January 2024

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

**A3. Audit Qualification**

There was no audit qualification on the annual financial statements of the Company and our Group for the year ended 30 June 2023.

**A4. Seasonality of Operations**

Our Group's business operations are not affected by any seasonal trends.

**A5. Unusual and Material Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

Save as disclosed in Note B1 and Note B2 below, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current period ended 30 June 2024.

**A6. Material Changes in Estimates**

There were no material changes in estimates that have a material affect in the current period ended 30 June 2024.

**A7. Debt and Equity Securities**

There were no issuance and repayment of debts and equity security, share buy-backs, share cancellation, share held as treasury shares by the Company during the current period ended 30 June 2024.

**A8. Dividend Paid**

On 14 April 2024, the Group have declared a first interim single tier dividend of 1.15 sen per ordinary share for the current financial year ending 30 June 2024 which was paid on 30 May 2024 to shareholders registered at the closure business on 02 May 2024.

***The rest of this page has been intentionally left blank***

**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024 (CONT'D)**

**A9 Segmental Information**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter <sup>(1)</sup>	Current Period-to-date	Preceding Year Corresponding Period-to-date <sup>(1)</sup>
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
<b><u>Revenue from contracts with customers:</u></b>				
- Sales of goods	3,669	N/A	62,955	131,692
- Rendering of services	19,486	N/A	27,115	13,583
	23,155	N/A	90,070	145,275
<b><u>Revenue from contracts with customers by geographical locations:</u></b>				
- United States of America	7,491	N/A	40,735	77,766
- Singapore	11,848	N/A	32,659	46,825
- Malaysia	2,911	N/A	13,025	16,893
- Italy	405	N/A	1,360	495
- Japan	204	N/A	954	1,071
- Thailand	56	N/A	666	502
- Germany	161	N/A	357	1,251
- Portugal	-	N/A	228	263
- Switzerland	72	N/A	72	195
- Romania	3	N/A	7	10
- China	4	N/A	7	4
	23,155	N/A	90,070	145,275

Notes:

N/A means "Not applicable"

(1) No comparative figures for the preceding corresponding period are presented as this is the fourth interim financial report announced by CPE Technology Berhad in compliance with the Listing Requirements.

***The rest of this page has been intentionally left blank***

**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024 (CONT'D)**
**A9 Segmental Information (Cont'D)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter <sup>(1)</sup>	Current Period-to-date	Preceding Year Corresponding Period-to-date <sup>(1)</sup>
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
<b><u>Revenue from contracts with customers by industry segments:</u></b>				
- Semiconductor	14,381	N/A	49,962	86,079
- Life science and medical devices	3,856	N/A	16,855	28,719
- Sport equipment	2,711	N/A	12,127	15,588
- Aerospace	694	N/A	2,802	2,618
- Security	211	N/A	2,475	3,012
- Sensor equipment	634	N/A	2,128	3,866
- Automotive	450	N/A	1,682	732
- Instrumentation	22	N/A	1,282	1,834
- Opto-mechanical	196	N/A	735	2,753
- General engineering industry	-	N/A	22	74
	23,155	N/A	90,070	145,275

Notes:

N/A means "Not applicable"

(1) No comparative figures for the preceding corresponding period are presented as this is the fourth interim financial report announced by CPE Technology Berhad in compliance with the Listing Requirements.

***The rest of this page has been intentionally left blank***

**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024 (CONT'D)**
**A9 Segmental Information (Cont'D)**

The Group's property, plant and equipment and right-of-use assets by geographical location, which is determined by the country in which the asset is located, is as follows:

	Unaudited 30 June 2024 RM'000	Audited 30 June 2023 RM'000
<b>Property, plant and equipment:</b>		
Malaysia	56,709	62,508
Singapore	93	131
	56,802	62,639
<b>Right-of-use assets:</b>		
Malaysia	1,073	1,695
Singapore	1,302	1,765
	2,375	3,460
	59,177	66,099

**A10. Material Events Subsequent to the Statement of Financial Position Date**

Saved as disclosed in Note B5, there were no material events subsequent to the end of the current financial year under review that have not been reflected in this condensed consolidated interim financial report.

**A11. Changes in Composition of our Group**

There were no changes in composition of our Group for the current period ended 30 June 2024.

***The rest of this page has been intentionally left blank***

**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024 (CONT'D)**

**A12. Changes in Contingent Liabilities or Contingent Assets**

There were no changes in contingent liabilities or contingent assets of a material nature as current period as at 30 June 2024.

**A13. Capital Commitments**

There were no contractual capital commitments subsequent to the end of the current period as at 30 June 2024.

**A14. Significant Related Party Transactions**

There were no related party transactions for the current period ended 30 June 2024.

**A15. Derivatives**

There were no derivatives used in the current period ended 30 June 2024.

***The rest of this page has been intentionally left blank***

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**B1. Review of Performance**
Current and Cumulative Quarter ended 30 June 2024 (“Q4 FY2024”)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter <sup>(1)</sup>	Current Period-to-date	Preceding Year Corresponding Period-to-date <sup>(1)</sup>
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Revenue	23,155	N/A	90,070	145,275
Gross Profit	4,630	N/A	23,155	51,507
Profit before tax (“PBT”)	3,665	N/A	14,273	39,101

Notes:

N/A means “Not applicable”

(1) No comparative figures for the preceding corresponding period are presented as this is the fourth interim financial report announced by CPE Technology Berhad in compliance with the Listing Requirements.

The Group recorded total revenue of approximately RM23.16 million in Q4 FY2024, mainly derived from the Semiconductor industry, which contributed RM14.38 million or 62.11% to the total revenue, followed by the Life science and medical devices industry of RM3.86 million or 16.65% and Sport equipment industry of RM2.71 million or 11.70% and Aerospace industry of RM0.70 million or 3.00% and Sensor equipment industry of RM0.63 or 2.74% and others industry RM0.88 million or 3.80%.

In Q4 FY 2024, the Group registered gross profit of RM4.63 million with gross profit margin of 20.00%, profit before tax of RM3.67 million and net profit after tax of RM2.58 million with a net profit after tax margin of 11.14%.

***The rest of this page has been intentionally left blank***

**B1. Review of Performance (Cont'D)**
Current Quarter compared with Immediate Preceding Quarter

	INDIVIDUAL QUARTER		
	Current Period	Immediate	Changes
	Quarter	Preceding Quarter	
	30 June 2024	Ended 31 March 2024	
	Unaudited	Unaudited	
	RM'000	RM'000	%
Revenue	23,155	22,438	3%
Gross Profit	4,630	6,258	(26%)
Profit before tax ("PBT")	3,665	5,244	(30%)

The Group registered revenue of RM23.16 million and gross profit RM4.63 million in current quarter compared with the revenue of RM22.44 million and gross profit RM6.26 million in immediate preceding quarter, representing an increase of RM0.72 million or 3% in revenue but a decrease of RM1.63 or 26% in gross profit.

The Group registered PBT of RM3.67 million in current quarter compared with PBT of RM5.24 million in immediate preceding quarter, representing a decrease of RM1.58 million or 30% in PBT. The lower profit before tax (PBT) was mainly attributable to reallocation of machines during the current quarter and the additional provision for slow moving stock.

***The rest of this page has been intentionally left blank***



**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B2. Commentary on Prospects**

According to SEMI's latest World Fab Forecast report dated 18 June 2024, the global semiconductor manufacturing industry is set to increase capacity by 6% in 2024, followed by a projected 7% gain in 2025. This planned expansion underscores industry expectations of sustained growth and heightened demand for semiconductor chips, positioning 2025 as a promising year for the semiconductor sector.

Similarly, Statista projects significant growth in the global medical devices market, forecasting revenues to reach US\$509.90 billion by 2024, with Cardiology Devices leading at US\$73.42 billion. The market is expected to grow at an annual rate of 5.71% (CAGR 2024-2029), potentially reaching US\$673.10 billion by 2029. This growth trajectory underscores the sector's robust expansion driven by increased investment in research and development, creating dynamic opportunities for suppliers of medical equipment to meet expanding market demands and leverage technological advancements.

In line with these market trends, the group is enhancing its own capacity to meet rising demand. On 15 July 2024, the group have entered into a conditional Sale and Purchase Agreement (SPA) acquire Property A (refer to Note B5), encompassing approximately 44,594.88 sq ft, for RM10 million. This acquisition strategically positions us to bolster our semiconductor manufacturing capabilities, leveraging governmental initiatives aimed at promoting technological innovation and industry expansion.

Furthermore, the group has secured new customers for pressure sensors and regulators within the Integrated Gas System (IGS), with some projects currently in the preliminary stages of First Article ("FA") clearance and others advancing to the trial phases, showing promising results. While our supply already covers parts and components for valves, filters, Mass Flow Controller (MFC), pressure sensors, and regulators with both existing and new customers, our ongoing efforts focus on further expanding our supply within the IGS system.

Despite these positive developments, we must remain vigilant about significant geopolitical risks, including potential escalations in the Russia-Ukraine conflict and uncertainties surrounding the 2024 U.S. presidential elections, which could impact market stability and global supply chains. Nevertheless, our strategic initiatives, such as the acquisition of Property A and the expansion of our customer base, position us to effectively address rising demand and enhance our market presence. Notably, our group have received notification from our customers to maintain a strong forecast for 2025. This endorsement reinforces our optimistic outlook and underlines our commitment to driving accelerated growth, capitalizing on emerging opportunities, and navigating potential challenges with agility.

**B3. Profit Forecast**

Not applicable as no profit forecast was published.

***The rest of this page has been intentionally left blank***

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**
**B4. Taxation**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter <sup>(1)</sup>	Current Period-to-date	Preceding Year Corresponding Period-to-date <sup>(1)</sup>
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Deferred tax	162	N/A	162	-
Current tax expenses				
- Current year	869	N/A	3,297	8,736
- Prior year	55	N/A	(291)	72
	1,086	N/A	3,168	8,808
Effective tax rate (%)	23.71	N/A	23.10	22.34
Statutory tax rate (%)				
- Malaysia	24.00	N/A	24.00	24.00
- Singapore	17.00	N/A	17.00	17.00

Note:

N/A means "Not applicable"

(1) No comparative figures for the preceding corresponding period are presented as this is the fourth interim financial report announced by CPE Technology Berhad in compliance with the Listing Requirements.

The group's effective tax rate is lower than Malaysia's statutory rate of 24% mainly due to tax diversity resulting from our business presence in difference countries.

**B5. Status of Corporate Proposal**

Save as disclosed below & B6, there were no corporate proposals announced by the Company but not completed as at the date of this condensed consolidated interim financial report.

(i) Proposed acquisition of an industrial premise located at No. 2 Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800 Ulu Tiram, Johor, Malaysia (Property A) held under title H.S. (D) 541152, Negeri Johor, Daerah Johor Bahru, Mukim Plentong, PTD 221504 by Champion Precision Technology Sdn. Bhd. from Foh Foh (M) Sdn. Bhd for a purchase consideration of RM10.00 million to be satisfied via cash

(ii) Proposed variation and extension of timeframe for the utilisation of proceeds raised from the initial public offering of CPE Technology Berhad pursuant to Rule 8.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

***The rest of this page has been intentionally left blank***

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**
**B6. Utilisation of Proceeds from the Public Issue**

The gross proceeds from the Public Issue of RM 179.58 million are expected to be used in the following manner:

N	P u r p o s e	Proposed Utilisation	Actual Utilisation	Balance	Intended Timeframe for Utilisation <sup>(1)</sup>	Deviation	Explanations
		RM'000	RM'000	RM'000			
1.	Acquisition of the New Industrial Lands and construction of the New Plants	69,595	-	69,595	Within 36 months	-	-
2.	Purchase of new machinery and equipment and relocation of existing machinery and equipment	32,882	240	32,642	Within 36 months	-	-
3.	Repayment of bank borrowings	17,454	12,715	4,739	Within 36 months	-	-
4.	Part-financing working capital expenditure requirements	46,909	-	46,909	Within 24 months	-	-
5.	Part financing other capital expenditure requirements	1,422	739	683	Within 12 months	-	-
6.	Estimated listing expenses	11,315	11,315	-	Within 3 months	-	-
Total		179,577	25,009	154,568	N/A	-	-

Note:-

(1) From the date of Listing of the Company.

***The rest of this page has been intentionally left blank***

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**
**B7. Interest bearing bank borrowings and lease liabilities**

	Unaudited	Audited
	30 June	30 June
	2024	2023
	RM'000	RM'000
<b><u>Interest-bearing bank borrowings</u></b>		
<b><u>Non - current</u></b>		
Term loans	4,875	17,945
Hire Purchase Creditors	1,006	5,146
	5,881	23,091
<b><u>Current</u></b>		
Term loans	495	915
Hire Purchase Creditors	4,140	6,410
Trust receipts	-	327
	4,635	7,652
<b><u>Currency Denominated In</u></b>		
Ringgit Malaysia ("MYR")	10,516	30,416
Singapore Dollars ("SGD")	-	327
	10,516	30,743
<b><u>Lease Liabilities</u></b>		
Non - current	1,528	1,179
Current	805	2,145
	2,333	3,324

***The rest of this page has been intentionally left blank***

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B8. Operating Profit/(Loss)**

	INDIVIDUAL QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter <sup>(1)</sup>
	30 June 2024	30 June 2023
	RM'000	RM'000
Operating profit/(loss) is arrived at after charging/(crediting):		
Interest Income	(1,581)	N/A
Interest expense	228	N/A
Depreciation of property, plant and equipment	1,963	N/A
Amortisation of right-of-use assets	660	N/A
(Gain) / Loss on foreign exchange	62	N/A
Upkeep, repair and maintenance	665	N/A

N/A means "Not applicable"

(1) No comparative figures for the preceding corresponding period are presented as this is the fourth interim financial report announced by CPE Technology Berhad in compliance with the Listing Requirements.

**B9. Material Litigation**

Our Group is not engaged in any material litigation for the current period ended 30 June 2024.

**B10. Dividend**

On 14 April 2024, the Group have declared a first interim single tier dividend of 1.15 sen per ordinary share for the current financial year ending 30 June 2024 which was paid on 30 May 2024 to shareholders registered at the closure business on 02 May 2024.

*The rest of this page has been intentionally left blank*

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**
**B11. Earnings per Share**

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

	Individual Quarter		Cumulative Period	
	Current Period Quarter	Preceding Year Corresponding Quarter <sup>(1)</sup>	Current Period-to-date	Preceding Year Corresponding Period-to-date <sup>(1)</sup>
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Profit attributable to the owners of the Company	2,579	N/A	11,105	30,293
Weighted average number of ordinary shares in issue (basic) (unit)	671,315	N/A	597,947	503,486
Basic EPS (sen) <sup>(2)</sup>	0.38	N/A	1.86	6.02
Diluted EPS (sen) <sup>(3)</sup>	0.38	N/A	1.86	6.02

Notes:

- (1) No comparative figures for the preceding corresponding period are presented as this is the fourth interim financial report announced by CPE Technology Berhad in compliance with the Listing Requirements.
- (2) Computed based on profit attributable to owners of CPE Technology Berhad divided by weighted average number of ordinary shares in issue.
- (3) Diluted EPS of CPE Technology Berhad is equivalent to the basic EPS as the Group does not have convertible securities at the end of the current quarter.

**B12. APPROVAL OF INTERIM FINANCIAL REPORT**

The interim financial report as set out above was approved by the Board of Directors of CPE Technology Berhad in accordance with a resolution dated 23 August 2024.

***The rest of this page has been intentionally left blank***