



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

**UNAUDITED CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENT FOR THE THIRD (3rd)  
QUARTER ENDED 31 OCTOBER 2022  
FINANCIAL YEAR ENDING 31 JANUARY 2023**

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

	3rd Quarter Ended			Cumulative Quarter Ended		
	31 October 2022	31 October 2021	Changes	31 October 2022	31 October 2021	Changes
	(a) RM	(b) RM	%	(a) RM	(b) RM	%
Revenue	132,545,049	85,221,827	55.5	345,211,760	260,814,428	32.4
Cost of sales	(114,670,352)	(76,057,227)	50.8	(307,513,730)	(230,687,388)	33.3
<b>Gross Profit</b>	<b>17,874,697</b>	<b>9,164,600</b>	<b>95.0</b>	<b>37,698,030</b>	<b>30,127,040</b>	<b>25.1</b>
Other Income	457,806	52,942	764.7	978,570	238,380	310.5
Administrative expenses	(3,609,261)	(1,848,172)	95.3	(9,492,708)	(6,000,952)	58.2
Selling and distribution expenses	(85,359)	(37,074)	130.2	(244,715)	(125,418)	95.1
<b>Operating profit</b>	<b>14,637,883</b>	<b>7,332,296</b>	<b>99.6</b>	<b>28,939,177</b>	<b>24,239,050</b>	<b>19.4</b>
Finance costs	(1,159,187)	(904,053)	28.2	(2,703,083)	(2,842,245)	(4.9)
<b>Profit before tax</b>	<b>13,478,696</b>	<b>6,428,243</b>	<b>109.7</b>	<b>26,236,094</b>	<b>21,396,805</b>	<b>22.6</b>
Taxation	(1,195,126)	(792,000)	50.9	(1,864,126)	(4,483,000)	(58.4)
<b>Profit for the financial period</b>	<b>12,283,570</b>	<b>5,636,243</b>	<b>117.9</b>	<b>24,371,968</b>	<b>16,913,805</b>	<b>44.1</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	-	140,640	140,640	-
Realisation of revaluation surplus upon depreciation	(46,880)	(46,880)	-	(140,640)	(140,640)	-
<b>Net Profit/ Total comprehensive income for the financial period attributable to :</b>						
Owner of the Company	12,283,570	5,636,243	117.9	24,371,968	16,913,805	44.1
	<u>12,283,570</u>	<u>5,636,243</u>	<u>117.9</u>	<u>24,371,968</u>	<u>16,913,805</u>	<u>44.1</u>
<b>Earnings Per Share attributable to Owners of the Company</b>						
Basic EPS (sen)	(c) 3.43	1.57		6.80	4.72	

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

*Notes:*

*(a) The Unaudited Condensed Consolidated 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 2022 and the interim notes attached to this interim financial statement.*

*(b) The comparative figures for the preceding year corresponding quarter and preceding period with the combined financial information is available in the interim financial statement announced by the Company in compliance with the Main Market Listing Requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Main LR").*

*(c) Basic earnings per share ("EPS") is calculated based on the profit attributable to owners of the Company divided by the number of ordinary shares of 358,180,000 as disclosed in B12.*

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31 October 2022 (a)</b>	<b>31 January 2022</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
<b>Non-current asset</b>		
Property, plant and equipment	106,234,139	83,962,896
<b>Current assets</b>		
Inventories	110,084,971	133,500,019
Trade receivables	114,483,987	90,580,658
Other receivables, deposits and prepayments	3,454,997	2,520,959
Contract assets	32,999,496	23,510,090
Current tax asset	-	938,223
Short term investments	34,033,559	-
Fixed deposits with licensed banks	7,175,969	41,707,008
Cash and bank balances	28,520,921	34,632,313
	<u>330,753,900</u>	<u>327,389,270</u>
<b>TOTAL ASSETS</b>	<b><u>436,988,039</u></b>	<b><u>411,352,166</u></b>
<b>EQUITY &amp; LIABILITIES</b>		
Share capital	182,946,490	182,946,490
Merger deficit	(38,486,932)	(38,486,932)
Revaluation reserve	6,235,061	6,375,701
Retained profits	67,931,935	50,582,927
<b>Total equity</b>	<u>218,626,554</u>	<u>201,418,186</u>
<b>Non-current liabilities</b>		
Borrowings	21,605,748	15,862,145
Deferred tax liabilities	8,381,000	7,881,000
	<u>29,986,748</u>	<u>23,743,145</u>
<b>Current liabilities</b>		
Trade payables	88,543,174	75,496,126
Other payables & accruals	8,913,956	12,175,791
Borrowings	90,250,802	98,471,918
Provision of taxation	666,805	47,000
	<u>188,374,737</u>	<u>186,190,835</u>
<b>Total Liabilities</b>	<u>218,361,485</u>	<u>209,933,980</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>436,988,039</u></b>	<b><u>411,352,166</u></b>
Net Assets per share attributable to owner of the Company (RM) (b)	0.61	0.56

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

*Notes:-*

*(a) The condensed consolidated statement of financial position should be read in conjunction with the Group's audited financial statement for the financial year ended 31 January 2022 and the accompanying explanatory notes attached to this interim financial statement.*

*(b) Net Assets per share attributable to the owner of the Company was computed based on total equity divided by the number of ordinary shares outstanding of 358,180,000 shares.*

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative Quarter ended	
	31 October 2022 (a)	31 October 2021 (b)
	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	26,236,094	21,396,805
Adjustments for:		
Depreciation of property, plant & equipment	5,916,179	3,992,388
Gain on disposal of property, plant & equipment	-	(3,881)
Fair Value (gain)/loss on short term investments	(492,504)	-
Interest expense	2,577,785	2,842,245
Interest income	(299,136)	(104,085)
Dividend income	-	(6,857)
Provision/ (Reversal) of obsolescence/slow moving inventories	(193,436)	-
Unrealised loss on foreign exchange	1,029,154	11,565
Operating profit before working capital changes	34,774,136	28,128,180
Changes in working capital:		
Inventories	23,608,485	(56,295,761)
Receivables	(19,348,012)	7,155,881
Contract assets	(9,489,406)	(611,913)
Payables	6,221,781	38,520,952
Net cash flows generated from operations	35,766,984	16,897,339
Interest paid	(2,577,785)	(2,842,245)
Income tax paid	(997,380)	(1,658,745)
Net cash flows generated from operating activities	32,191,819	12,396,349
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(28,187,419)	(10,865,799)
Proceeds from disposal of property, plant & equipment	-	9,570
Interest received	299,136	104,085
Dividend received	-	6,857
Short term investments	(33,541,055)	-
Placement of fixed deposits pledged with licensed bank	(995,379)	(1,018,801)
Uplift of fixed deposits with licensed bank	523,755	-
Net cash used in investing activities	(61,900,962)	(11,764,088)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net change in bankers acceptances and OFCL	(7,302,566)	272,083
Net drawdown/ (repayment) of finance lease liabilities	181,621	(1,212,832)
Net drawdown/ (repayment) of term loans	7,394,808	(12,969,624)
Dividends paid	(7,163,600)	(555,934)
Net drawdown/ (repayment) of revolving credit	(5,000,000)	10,000,000
Proceed from issuance of share capital	-	1
Net cash used in financing activities	(11,889,737)	(4,466,306)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(41,598,880)	(3,834,045)
Effect of changes in foreign exchange rate	484,826	(151,107)
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING</b>	69,634,975	17,108,568
<b>CASH &amp; CASH EQUIVALENTS AT END</b>	28,520,921	13,123,416

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

	Cumulative Quarter ended	
	31 October 2022 (a)	31 October 2021 (b)
	RM	RM
Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balance sheet amounts:		
Fixed deposits with licensed banks	7,175,969	6,225,453
Cash and bank balances	<u>28,520,921</u>	<u>13,123,416</u>
	35,696,890	19,348,869
Less: Fixed deposits pledged with licensed banks	<u>(7,175,969)</u>	<u>(6,225,453)</u>
<b>CASH &amp; CASH EQUIVALENTS AT END</b>	<u>28,520,921</u>	<u>13,123,416</u>

*Notes:*

*(a) The condensed consolidated statement of cash flows should be read in conjunction with the Group's audited financial statement for the financial year ended 31 January 2022 and the accompanying explanatory notes attached to this interim financial statement.*

*(b) The comparative figures for the preceding year corresponding quarter and preceding period with the combined financial information is available as the interim financial statement announced by the Company in compliance with the Main LR of Bursa Securities.*

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

	Attributable to Owners of the Company				Distributable Retained Profit RM	Total Equity RM
	Share Capital RM	Invested Equity RM	Merger deficit RM	Revaluation Reserve RM		
<b>Period ended 31 October 2022</b>						
Balance as at 1 February 2022	182,946,490	-	(38,486,932)	6,375,701	50,582,927	201,418,186
Profit for the financial period	-	-	-	-	24,371,968	24,371,968
Other comprehensive income/(loss)	-	-	-	(140,640)	140,640	-
<b>Transaction with owners of the Company:</b>						
Dividends paid	-	-	-	-	(7,163,600)	(7,163,600)
<b>As 31 October 2022</b>	<b>182,946,490</b>	<b>-</b>	<b>(38,486,932)</b>	<b>6,235,061</b>	<b>67,931,936</b>	<b>218,626,554</b>
<b>Period ended 31 October 2021</b>						
Balance as at 1 February 2021	-	45,864,068	-	6,563,220	31,649,774	84,077,062
At date of incorporation	1					1
Profit for the financial period					16,913,804	16,913,804
Other comprehensive income/(loss)	-		-	(140,640)	140,640	-
<b>Transaction with owners of the Company:</b>						
Dividends paid					(3,286,988)	(3,286,988)
<b>As 31 October 2021</b>	<b>1</b>	<b>45,864,068</b>	<b>-</b>	<b>6,422,580</b>	<b>45,417,230</b>	<b>97,703,879</b>

*Notes:*

(a) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statement for the financial year ended 31 January 2022 and the accompanying explanatory notes attached to this interim financial statement.



## **NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 OCTOBER 2022**

### **A. EXPLANATORY NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT FOR THE QUARTER ENDED 31 OCTOBER 2022**

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#### **A1. Basis of Preparation**

The interim financial statement 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 Securities.

This is the interim financial statement announced by the Company in compliance with the Main LR of Bursa Securities.

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 2022. The interim financial statement should be read in conjunction with the combined financial information and the audited financial statement of the Group for the year ending 31 January 2022.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 OCTOBER 2022

### A. EXPLANATORY NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT FOR THE QUARTER ENDED 31 OCTOBER 2022 (cont'd)

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#### A2. Changes in Accounting Policies

The accounting policies and presentations adopted by the Group are consistent with those adopted for the audited financial statements of the Group for the financial year ended 31 January 2022 except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group: -

##### **Effective for annual periods beginning on or after 1 June 2020**

*Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concession*

##### **Effective for annual periods beginning on or after 1 January 2021**

*Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases: Interest Rate Benchmark Reform – Phase 2*

Initial application for the above standards did not have any material impact to the financial statements of the Group 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 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*

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

*MFRS 17 Insurance Contracts*  
*Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9*  
*Amendments to MFRS 17 Insurance Contracts*  
*Amendments to MFRS 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 – Comparative Information*  
*Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current*

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 OCTOBER 2022

### A. EXPLANATORY NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT FOR THE QUARTER ENDED 31 OCTOBER 2022 (cont'd)

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*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*

#### **The effective date is yet to be confirmed**

*Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The initial application of the above standards is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption.

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

The auditors' report to the respective members of ATech and BCM Electronics on the financial statements for the financial year ended 31 January 2022 was not subject to any qualification.

#### **A4. Seasonal or Cyclical Factors**

The Group's revenues are typically lower in the first half of our financial year because our customers plan ahead for their requirements for the entire year and accordingly, the bulk of 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 processes lead times applicable.

#### **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 estimates of amounts reported that have a material effect in the quarter under review.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 OCTOBER 2022

### A. EXPLANATORY NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT FOR THE QUARTER ENDED 31 OCTOBER 2022 (cont'd)

#### A7. Debt and Equity Securities

There was no 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 Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31 Oct 2022	31 Oct 2021	31 Oct 2022	31 Oct 2021
	RM	RM	RM	RM
Communications and IoT products	109,098,007	76,268,431	290,637,439	221,823,245
Electronics devices	15,309,599	6,125,204	37,132,184	31,917,048
Semiconductor components	8,137,443	2,828,192	17,442,137	7,074,135
	<b>132,545,049</b>	<b>85,221,827</b>	<b>345,211,760</b>	<b>260,814,428</b>

#### Revenue segmented by geographical markets

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31 Oct 2022	31 Oct 2021	31 Oct 2022	31 Oct 2021
	RM	RM	RM	RM
MALAYSIA	38,866,123	30,755,873	113,093,068	88,634,367
AMERICAS	62,629,381	39,033,831	160,421,301	118,755,443
ASIA PACIFIC (excluding Malaysia)	18,092,129	6,116,926	45,575,901	31,547,035
EUROPE	12,957,415	9,315,197	26,121,490	21,877,583
	<b>132,545,049</b>	<b>85,221,827</b>	<b>345,211,760</b>	<b>260,814,428</b>

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 OCTOBER 2022**

**A. EXPLANATORY NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT FOR THE QUARTER ENDED 31 OCTOBER 2022**  
*(cont'd)*

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**A9. Dividend Paid**

The first interim tax exempt (single tier) dividend of 2.00 sen per ordinary share for the financial year ended 31 January 2023 amounting to RM7.2 million was declared on 29 September 2022 and paid on 26 October 2022.

Save as disclosed above, there was no other dividend paid, declared and/or proposed during the current quarter under review.

**A10. Property, Plant and Equipment**

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

**A11. Capital Commitments**

	<b>Unaudited</b> <b>As at</b> <b>31 October 2022</b> <b>RM</b>	<b>Audited</b> <b>As at</b> <b>31 January 2022</b> <b>RM</b>
<b>Contracted but not provided for:</b>		
- Property, plant and equipment	4,804,563	1,387,262
<b>Approved but not provided for:</b>		
- Property, plant and equipment	24,980,582	53,542,600
	<u><b>29,785,145</b></u>	<u><b>54,929,862</b></u>

**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.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 OCTOBER 2022

### A. EXPLANATORY NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT FOR THE QUARTER ENDED 31 OCTOBER 2022 (cont'd)

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#### 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:

	Unaudited As at 31 October 2022 RM	Audited As at 31 January 2022 RM
<b>Levels 1</b>		
Financial assets at fair value through profit or loss - Placements in money market funds	34,033,559	-

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

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 OCTOBER 2022

### A. EXPLANATORY NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT FOR THE QUARTER ENDED 31 OCTOBER 2022 (cont'd)

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#### A16. Material Events Subsequent to the End of the Quarter

ATech together with BCM Electronics, collectively referred to as **ATech Group**, hereby grants the eligible employees Long Term Incentive - Performance Share Grant (“**PSG**”) for the financial year ending 31 January 2023 in accordance with ATech Group’s Employee’s Share Scheme (“**ESS**”) implemented on 1 April 2022.

The total shares to be granted is up to 325,000.00 new ATech ordinary shares (“**ATech Shares**”) on 4 November 2022.

The grant price of RM1.5799 is determined by the 5 days volume-weighted average price of ATech traded on the Main Market of Bursa Malaysia calculated from 7 November 2022 to 11 November 2022.

The total grant shares will be issued in two (2) separate tranches as follows:

- a) **Tranche 1**: upto 40% equivalent or 130,000.00 ATech Shares for vesting no later than Friday 29 September 2023 (“**Vesting Date 1**”); and
- b) **Tranche 2**: upto 60% equivalent or 195,000.00 ATech Shares for vesting no later than Friday 27 September 2024 (“**Vesting Date 2**”);

The PSG shall remain unissued until the Vesting Date 1 and Vesting Date 2 (collectively “**Vesting Dates**”) and shall, on allotment, rank pari passu in all respects with the existing ordinary shares of the Company at the time of allotment save that they will not entitle the holders thereof to receive any rights and bonus issues announced or to any dividend or other distribution declared to the shareholders of the Company as at a date which precedes the respective Vesting Dates.

Subject to the terms and conditions of the by-laws governing the Employees’ Share Scheme, the eligible employees shall be entitled to receive new ATech Shares to be issued pursuant to the PSG, upon meeting the vesting conditions, which includes performance targets, stipulated by the Employees’ Share Scheme Committee.

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.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 OCTOBER 2022

### B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

#### B1. Review of performance

	Individual Period (a) (3rd quarter)		Changes (Amount/%)	Cumulative Period (b)		Changes (Amount/%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To- date	Preceding Year Corresponding Period	
	31-Oct-2022	31-Oct-2021		31-Oct-2022	31-Oct-2021	
Revenue	132,545,049	85,221,827	35.7	345,211,760	260,814,428	24.4
Gross Profit	17,874,697	9,164,600	48.7	37,698,030	30,127,040	20.1
Profit Before Interest and Tax	14,548,340	7,294,901	49.9	28,640,042	24,112,082	15.8
Profit Before Tax	13,478,696	6,428,243	52.3	26,236,094	21,396,805	18.4
Profit After Tax	12,283,570	5,636,243	54.1	24,371,968	16,913,805	30.6
Profit Attributable to Ordinary Equity Holder of the Parent	12,283,570	5,636,243	54.1	24,371,968	16,913,805	30.6

#### (a) Results for current quarter

For the current quarter ended 31 October 2022 under review, the Group recorded a revenue of RM132.5 million, of which RM109.1 million and RM15.3 million or 82.3% and 11.6% was derived from communication and IoT products, electronics devices and the semiconductor components contributed the remaining RM8.1 million or 6.1%. As compared to the revenue of RM85.2 million recorded in the corresponding quarter in the previous year, the communication and IoT products, electronics devices respectively contributed RM76.3 million and RM6.1 million or 89.5% and 7.2% and the balance of semiconductor components contributed RM2.8 million or 3.3%.

The Group recorded a profit before taxation of RM13.5 million for the current quarter as compared to a profit before tax of RM6.4 million recorded in the corresponding quarter of the last financial year under review.

Compared to the preceding year's corresponding quarter, the Group recorded a higher profit before tax for the quarter under review resulting from the ramping-up of operations on our new factory extension ("P3"), enabling the Group to increase the overall production volume and revenue across all business segments.

#### (b) Results for financial year-to-date

For the three (3) quarters ended 31 October 2022, the Group recorded a total revenue of RM345.2 million, of which RM290.6 million and RM37.1 million or 84.2% and 10.7% were derived from communication and IoT products, and electronic devices while the semiconductor components contributed to the remaining RM17.5 million or 5.1%. As compared to the revenue of RM260.8 million recorded in the corresponding three (3) quarters in the preceding year, the communication and IoT products, electronics devices respectively contributed RM221.8 million and RM31.9 million or 85.1% and 12.2% and the balance of semiconductor components contributed RM7.1 million or 2.7%.



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 OCTOBER 2022

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

The Group recorded a profit before tax of RM26.2 million for the financial year-to-date as compared to profit before tax of RM21.4 million for the preceding year corresponding period, after incurring total expenses of RM12.4 million (RM9.0 million in preceding year corresponding period) comprising administrative, selling and distribution, and finance cost.

The interim financial statement announced by the Company is in compliance with the **Main LR**. The comparative figures for the preceding year's corresponding quarter and period are presented as combined financial information. Notwithstanding this, please refer to the Company's Prospectus dated 29 November 2021 for further information on the Group's financial results for the past financial years.

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

	<b>Current Quarter 31-Oct-2022</b>	<b>Immediate Preceding Quarter 31-Jul-2022</b>	<b>Changes (Amount/%)</b>
Revenue	132,545,049	111,952,275	18.4%
Gross Profit	17,874,697	12,287,293	45.5%
Profit Before Interest and Tax	14,548,340	9,227,772	57.7%
Profit Before Tax	13,478,696	8,376,231	60.9%
Profit After Tax	12,283,570	7,073,231	73.7%
Profit Attributable to Ordinary Equity Holder of the Parent	12,283,570	7,073,231	73.7%

The Group recorded a revenue and profit before tax of RM132.5 million and 13.5 million, representing an increase of RM20.6 million and RM5.1 million respectively for the current quarter, as compared to the revenue and profit before tax of RM112.0 million and RM8.4 million respectively for the immediate preceding quarter.

The revenue and profit before tax for the quarter under review was higher than the preceding quarter, mainly attributed to: (a) overall improvement of global supply chain and logistic, (b) revision of product pricing to defray the new minimum wages policy commencing from 1 May 2022, (c) higher gross profit margin arising from products mix and stronger US dollar.

The salary cost directly related to manufacturing activities for the quarter under review increased by approximately 31.6% as compared to the preceding quarter, this was largely due to the increase of contract workers, incentives and overtime cost to cope with the (a) higher production volume and (b) various public holidays.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 OCTOBER 2022

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

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The utilities cost of the Group for the quarter under review increased by approximately 6.3% compared to the preceding quarter largely due the roll-out of additional one (1) surface mount technology (“SMT”) line to support the increased production volume and new product implementation.

The finance cost of the Group for the quarter under review increased by approximately 28% compared to the preceding quarter largely due the continuous increases in both Ringgit Malaysia and US dollar interest rates, despite the total borrowings falling by approximately RM6.5 million.

The Group did not record any business transactions that resulted in the 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 for the financial year ending 31 January 2023

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

#### (i) Expansion of semiconductor component manufacturing

As of 30 November 2022, the Group has a total of six (6) operational SMT lines and automated robotic testing facilities to support five (5) of the six (6) operational SMT lines. We expect the automated robotic testing facilities for SMT Line 6 to be made available in Q4 FYE2023.

We had ordered an additional one (1) SMT line (“SMT Line 7”) using IPO proceeds to further ramp up the production capability for the semiconductor component manufacturing business. We expect the commissioning of this line and its corresponding automated robotic testing facilities by Q1 FYE2024.

#### (ii) Expansion of other SMT production facilities

The Group has not placed any new order for SMT.

The Group for the financial year ending 2023, after the recovery from the Covid-19 pandemic and volatility of USD/MYR exchange rates and no ongoing threats of natural disasters, the business challenges still remains dependent upon, challenges such as continuous interest rate hike, persistent US-China trade tension, global semiconductors components shortage, supply chain disruption, labour supply shortage, minimum wages hike, and amendments in Employment Act 1955 (with effect 1 January 2023), ongoing Ukraine-Russia conflict, higher utility prices (including higher electricity tariff adjustment from 1 January 2023), political instability, recessionary and inflationary pressures. To manage and overcome these challenges, we have had to remain prudent and relentlessly enhance the Group's competitiveness in exploring new growth opportunities in such an unpredictable global economic climate. However, having secured an order book of approximately RM360 million on 12 December 2022 and by continuing its effort to continuously build on existing customer relationships, develop new customers, improve its production quality, efficiency, technical capability, and optimising capacity to better prepare the Group in facing

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 OCTOBER 2022

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

these challenges. The Group also provides continuous staff development to align their skills and knowledge with the requirements of the latest technology in the automation and manufacturing industries. Barring any unforeseen circumstances in executing our existing order book, we are cautiously positive about the Group's performance for the financial year ending 31 January 2023.

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

	Current quarter ended		Cumulative quarter ended	
	31 October 2022	31 October 2021	31 October 2022	31 October 2021
	RM	RM	RM	RM
This includes the following items of Income/ (expense):				
Depreciation of property, plant and equipment	2,263,786	1,446,456	5,916,179	3,387,643
Employee benefits expense	15,413,622	9,202,781	37,608,065	28,011,253
Expenses relating to lease of low value assets	5,920	21,944	19,310	41,368
Expenses relating to short-term leases	25,735	10,296	68,928	30,585
Fair value loss on investment in quoted shares		(156,238)		-
Interest expenses on:				
- Finance lease Liabilities	424	94,232	2,291	301,733
- Term loan	274,231	379,348	774,958	1,288,172
- Bankers acceptances and OFCL	831,577	341,903	1,773,166	1,032,704
- Revolving credit	14,301	52,378	27,370	78,351
- Bank overdraft		737		737
Loss on disposal of property, plant and equipment		5,021		5,021
Loss on foreign exchange				
- Realised	362,497	393,219	1,247,872	569,725
- Unrealised	391,665	139,707	1,029,154	-
Provision/ (Reversal) of obsolescence/slow moving inventories		-	(193,437)	-
And crediting:				
Gain on disposal of property, plant and equipment		-		8,902
Gain on foreign exchange:				
- Realised		142,930		-
- Unrealised		509,504		446,919
Fair value gain on revaluation of short term investment *	223,784	-	492,504	-
Interest income *	89,543	30,537	299,136	104,085

\*Included in Other Income

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

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 OCTOBER 2022**

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

**B5. Income tax expense**

	Current Quarter ended		Cumulative quarter ended	
	31 October 2022	31 October 2021	31 October 2022	31 October 2021
	RM	RM	RM	RM
Current period income tax	601,126	(1,392,000)	1,364,126	1,807,000
Deferred tax	594,000	2,184,000	500,000	2,676,000
	<u>1,195,126</u>	<u>792,000</u>	<u>1,864,126</u>	<u>4,483,000</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**

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

**B8. Utilisation of proceeds from the Public Issue**

The initial public offering (“IPO”) proceeds of RM104.7 million was utilised in the following manner:

Purpose	Intended Timeframe for Utilisation	Proposed Utilisation	%	Actual Utilisation	Balance as at 31 October 2022
		RM		RM	RM
Purchase of new machinery and equipment	within 24 months <sup>(1)</sup>	40,000,000	38.19	7,388,120	32,611,880
Repayment of bank borrowings	within 6 months <sup>(1)</sup>	29,520,000	28.19	29,520,000	-
Working capital	within 36 months <sup>(1)</sup>	28,128,600	26.86	28,128,600	-
Listing expenses	within 6 months <sup>(1)</sup>	7,085,000	6.76	7,085,000	-
<b>Total</b>		<b>104,733,600</b>	<b>100.00</b>	<b>72,121,720</b>	<b>32,611,880</b>

<sup>(1)</sup> From the date of listing of the Company shares.

Arising from the purchase order of SMT Line 7, we have fully earmarked all unutilised IPO proceeds proposed for purchase of new machinery and equipment.

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 OCTOBER 2022**

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

**B9. Group's Borrowings and Debts Securities**

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

	As at 3rd quarter ended 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	-	-	-	37,703,884	-	37,703,884
Onshore foreign currency loan (OFCL)	-	-	47,457,294	-	47,457,294	-
Finance lease liabilities	-	226,286	-	80,122	-	306,408
Term loans/ Islamic financing	-	21,379,462	-	5,009,502	-	26,388,964
<b>Total</b>	<b>-</b>	<b>21,605,748</b>	<b>47,457,294</b>	<b>42,793,508</b>	<b>47,457,294</b>	<b>64,399,256</b>

	As at 3rd quarter ended FYE 2022					
	Long term		Short term		Total borrowing	
	Foreign denomination ^	RM denomination ^	Foreign denomination ^	RM denomination ^	Foreign denomination ^	RM denomination ^
<b>Secured:</b>						
Bankers acceptances	-	-	-	20,166,000	-	20,166,000
Onshore foreign currency loan (OFCL)	-	-	68,445,203	-	68,445,203	-
Finance lease liabilities	-	4,616,791	-	1,671,195	-	6,287,986
Term loans/ Islamic financing	-	3,568,289	-	23,352,754	-	26,921,043
Revolving credit	-	-	-	10,000,000	-	10,000,000
<b>Total</b>	<b>-</b>	<b>8,185,080</b>	<b>68,445,203</b>	<b>55,189,949</b>	<b>68,445,203</b>	<b>63,375,029</b>

^ The borrowing for OFCL is denominated in USD with the current quarter closing exchange rate at USD1.00 = RM4.7280 compared to preceding year corresponding quarter USD1.00 = RM4.1425. To reduce the impact of the forex currency conversion loss, Group decided to take the Bankers' Acceptance in Ringgit Malaysia instead of OFCL during the quarter.

The Group's borrowing facilities comprise of largely float rate facilities bearing interest/profit rates ranging from 3.35% to 5.65% per annum during the quarter under review (immediate preceding quarter (3.73% to 5.40%).

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 of RM6.6 million.

There is no unsecured borrowing during the quarter under review.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 OCTOBER 2022

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

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#### **B10. Material Litigation**

The Group has an ongoing lawsuit pertaining to the dispute of the writ of summon originated by JR Joint Resources Holdings Sdn. Bhd. (“**JR**”) to BCM Electronics on 6 January 2021 for a total claim of RM 267,428.26 for the purported sum owed to JR for the supply of foreign workers to BCM over the period of 2013 – 2014.

The Session Court allowed BCM Electronic’s application to strike out the lawsuit on 7 October 2021. Upon appeal by JR on 18 October 2021, the High Court affirmed the Session Court’s decision on 21 March 2022 in favour of BCM.

JR subsequently filed a further appeal to the Court of Appeal on 20 April 2022, and upon the case management on 12 August 2022, the appeal is fixed for hearing on 10 March 2023.

The lawsuit is not expected to have any material contingent liabilities to BCM Electronics in view of the previous Session Court and High Court rulings. Additionally, BCM Electronic’s appointed solicitor is of the opinion that the claim would be struck out in the Court of Appeal.

#### **B11. Dividends**

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

The Company targets a revised payout ratio of up to 50% of our profit after tax attributable to owners of our Company of each financial year on a consolidated basis after taking into account our Group’s working capital requirements, subject to any applicable law and contractual obligations and provided that such distribution will not be detrimental to our Group’s cash requirements or any plans approved by our Board.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 OCTOBER 2022

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

#### B12. 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 as at 31 October 2022, was based on the profit attributable to ordinary shareholders and the number of ordinary shares outstanding were calculated as follows:

	Individual quarter ended		Cumulative quarter ended	
	31 October 2022	31 October 2021	31 October 2022	31 October 2021
Profit attributable to ordinary equity owners of the Company (RM)	12,283,570	5,636,243	24,371,968	16,913,805
<b>Earnings per ordinary share attributable to owners of the Company</b>				
Number of ordinary shares	358,180,000	358,180,000	358,180,000	358,180,000
Earnings per ordinary share (sen)	3.43	1.57	6.80	4.72

#### B13. 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.