



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

**UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENT
FOR THE SECOND QUARTER ENDED
31 JULY 2023**

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

	2nd Quarter			Cumulative Quarter		
	31 July 2023 (a) RM	31 July 2022 RM	Changes %	31 July 2023 (a) RM	31 July 2022 RM	Changes %
Revenue	109,036,866	111,952,275	(2.6)	203,666,073	212,666,711	(4.2)
Cost of sales	(93,733,586)	(99,664,982)	(6.0)	(180,800,888)	(192,843,378)	(6.2)
Gross profit	15,303,280	12,287,293	24.5	22,865,185	19,823,333	15.3
Other income	4,682,514	231,220	1,925.1	7,950,033	311,172	2,454.9
Administrative expenses	(7,176,388)	(3,199,654)	124.3	(9,714,962)	(5,883,447)	65.1
Selling and distribution expenses	(114,961)	(91,088)	26.2	(242,844)	(159,357)	52.4
Operating profit	12,694,445	9,227,771	37.6	20,857,412	14,091,701	48.0
Finance income	1,094,714	53,876	1,931.9	1,950,143	209,593	830.4
Finance costs	(378,664)	(905,416)	(58.2)	(735,156)	(1,543,896)	(52.4)
Profit before tax	13,410,495	8,376,231	60.1	22,072,399	12,757,399	73.0
Taxation	(2,860,000)	(1,303,000)	119.5	(3,460,000)	(669,000)	417.2
Profit for the financial period	10,550,495	7,073,231	49.2	18,612,399	12,088,399	54.0
Total other comprehensive Income, net of tax:						
Items that will not be reclassified subsequently to profit or loss:						
Transfer of revaluation surplus to retained profits	46,880	46,880	-	93,760	93,760	-
Realisation of revaluation surplus upon depreciation	(46,880)	(46,880)	-	(93,760)	(93,760)	-
Net Profit/ Total comprehensive income for the financial period attributable to :						
Owner of the Company	10,550,495	7,073,231	49.2	18,612,399	12,088,399	54.0
	10,550,495	7,073,231	49.2	18,612,399	12,088,399	54.0
Earnings Per Share attributable to Owners of the Company						
Basic EPS (sen)	(b)	2.69	1.97	4.74	3.37	
Diluted EPS (sen)	(c)	2.68	1.97	4.73	3.37	

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

Notes:

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

(b) *Basic earnings per share ("EPS") are calculated based on the profit attributable to owners of the Company divided by the weighted average number of ordinary shares issued of **392,810,663** (for 2nd quarter ended 31 July 2023 - after private placement as disclosed in B13 (i)) and **358,180,000** (for 2nd quarter ended 31 July 2022) respectively.*

(c) *Diluted earnings per share ("DEPS") are calculated based on the profit attributable to owners of the Company divided by the weighted average number of applicable ordinary shares **393,135,663** (for 2nd quarter ended 31 July 2023 – including the private placement issuance and the deemed Performance Share Grant ("PSG") offer under the Employees Share Scheme ("ESS") as disclosed in B13 (ii)), and **358,180,000** (for 2nd quarter ended 31 July 2022) respectively.*

CONDENSED STATEMENT OF FINANCIAL POSITION

	<u>Unaudited</u> As at 31 July 2023 (a) RM	<u>Audited</u> As at 31 January 2023 RM
ASSETS		
Non-current asset		
Property, plant and equipment	119,775,930	115,374,459
Right-of-use assets	1,320,063	1,848,088
Current assets		
Inventories	122,498,784	101,739,307
Trade receivables	85,634,801	131,825,689
Other receivables, deposits and prepayments	4,834,342	4,310,579
Contract assets	16,769,935	12,241,534
Current tax asset	24,925	1,145,547
Short term investments	34,417,203	1,965,053
Fixed deposits with licensed banks	25,610,143	7,216,508
Cash and bank balances	40,032,449	41,707,054
	<u>329,822,582</u>	<u>302,151,271</u>
TOTAL ASSETS	<u>450,918,575</u>	<u>419,373,818</u>
EQUITY & LIABILITIES		
Share capital	260,077,273	182,946,490
Merger deficit	(38,486,932)	(38,486,932)
Revaluation reserve	6,094,422	6,188,182
ESS reserve	288,597	96,199
Retained profits	91,677,631	80,851,432
Total equity	<u>319,650,991</u>	<u>231,595,371</u>
Non-current liabilities		
Borrowings	18,501,572	21,109,773
Lease liability	360,206	905,609
Deferred tax liabilities	10,318,000	8,691,000
	<u>29,179,778</u>	<u>30,706,382</u>
Current liabilities		
Trade payables	81,200,867	69,041,435
Other payables & accruals	14,391,811	13,343,109
Borrowings	5,080,269	72,704,172
Lease liability	1,068,918	1,038,387
Provision of taxation	345,941	944,962
	<u>102,087,806</u>	<u>157,072,065</u>
Total Liabilities	<u>131,267,584</u>	<u>187,778,447</u>
TOTAL EQUITY AND LIABILITIES	<u>450,918,575</u>	<u>419,373,818</u>
Net Assets per share attributable to owner of the Company (RM) (b)	0.81	0.65

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

Notes:-

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

(b) *Net Assets per share attributable to the company's equity owners are calculated based on total equity divided by the total number of ordinary shares outstanding of **393,998,000** shares issued (for 2nd quarter ended 31 July 2023 - after private placement) and **358,180,000** (for the financial year ended 31 January 2023) respectively.*

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Cumulative Quarter	
	31 July 2023 (a)	31 July 2022
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	22,072,399	12,757,399
Adjustments for:		
Depreciation of property, plant & equipment	6,269,166	3,652,393
Fair value gain on short term investments	(216,923)	(268,720)
Interest expense	651,711	1,457,253
Interest income	(1,950,144)	(209,593)
Reversal of obsolescence/slow moving inventories	-	(193,436)
ESS reserve	192,398	-
Unrealised loss on foreign exchange	2,462,643	637,489
Operating profit before working capital changes	29,481,250	17,832,785
Changes in working capital:		
Inventories	(18,730,965)	15,023,342
Receivables	42,931,662	(12,751,979)
Contract assets	(4,528,401)	(3,329,547)
Payables	13,176,691	(1,133,227)
Net cash flows generated from operations	62,330,237	15,641,374
Interest paid	(651,711)	(1,457,253)
Income tax paid	(1,311,399)	(858,864)
Net cash flows generated from operating activities	60,367,127	13,325,257
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(10,142,612)	(18,187,652)
Interest received	1,950,144	209,593
Short term investments	(32,235,226)	(43,728,528)
Fixed deposits with licensed bank	7,216,508	(434,192)
Net cash used in investing activities	(33,211,186)	(62,140,779)
CASH FLOW FROM FINANCING ACTIVITIES		
Net repayment in bankers acceptances and OFCL	(68,485,794)	(172,076)
Net repayment of finance lease	(37,157)	(77,953)
Net (repayment)/ drawdown of term loans	(2,400,283)	8,139,798
Net repayment of revolving credit	-	(5,000,000)
Net repayment of lease liability	(514,872)	-
Dividends paid	(7,879,960)	-
Net proceeds from private placement	77,130,783	-
Net cash (used)/ generated in financing activities	(2,187,283)	2,889,769
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	24,968,658	(45,925,753)
Effect of changes in foreign exchange rate	(1,033,120)	114,933
CASH AND CASH EQUIVALENTS AT BEGINNING	41,707,054	69,634,975
CASH AND CASH EQUIVALENTS AT END	65,642,592	23,824,155

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

	Cumulative Quarter	
	31 July 2023 (a)	31 July 2022
	RM	RM
Cash and cash equivalents included in the statement of cash flows comprise the following balance sheet amounts:		
Fixed deposits with licensed banks	25,610,143	7,138,537
Cash and bank balances	<u>40,032,449</u>	<u>23,824,155</u>
	65,642,592	30,962,692
Less: Fixed deposits pledged with licensed banks	-	(7,138,537)
CASH AND CASH EQUIVALENTS AT END	<u>65,642,592</u>	<u>23,824,155</u>

Notes:

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

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Company				Distributable Retained Profits RM	Total Equity RM
	Share Capital RM	ESS Reserve RM	Merger Deficit RM	Revaluation Reserve RM		
Period ended 31 July 2023						
Balance as at 1 February 2023	182,946,490	96,199	(38,486,932)	6,188,182	80,851,432	231,595,371
Issuance of shares pursuant to:						
- Private placement	77,725,060	-	-	-	-	77,725,060
Shares issuance expenses pursuant to private placement	(594,277)	-	-	-	-	(594,277)
ESS reserve	-	192,398	-	-	-	192,398
Profit after taxation	-	-	-	-	18,612,399	18,612,399
Total comprehensive income/(loss)	-	-	-	(93,760)	93,760	-
Dividends paid	-	-	-	-	(7,879,960)	(7,879,960)
As 31 July 2023	260,077,273	288,597	(38,486,932)	6,094,422	91,677,631	319,650,991
Period ended 31 July 2022						
Balance as at 1 February 2022	182,946,490	-	(38,486,932)	6,375,701	50,582,927	201,418,186
Profit after taxation	-	-	-	-	12,088,399	12,088,399
Total comprehensive income/(loss)	-	-	-	(93,760)	93,760	-
As 31 July 2022	182,946,490	-	(38,486,932)	6,281,941	62,765,086	213,506,585

Notes:

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

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT

A. EXPLANATORY NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT FOR THE QUARTER ENDED 31 JULY 2023

A1. Basis of Preparation

The interim financial statements of Aurelius Technologies Berhad (“ATech” or “Company”) and BCM Electronics Corporation Sdn Bhd (“BCM Electronics”), the Company’s sole subsidiary (collectively, “the Group”), are unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad (“Main LR”).

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

A2. Changes in Accounting Policies

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

Effective for annual period beginning on or after 1 April 2021

Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concessions beyond 30 June 2021

Effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 3 Business Combination: Reference to the Conceptual Framework

Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 - 2020

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

Standards Issued But Not Yet Effective

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

Effective for annual periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts

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

Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for annual periods beginning on or after 1 January 2024

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

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

Effective date yet to be confirmed

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

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

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' reports to the respective members of ATech and BCM Electronics on the financial statements for the financial year ended 31 January 2023 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's revenues are typically lower in the first half of our financial year because our customers plan ahead for their requirements for the entire year and accordingly, the bulk of order from customers are typically received after the end of festive period, namely the calendar new year, Chinese New Year, and Hari Raya Aidiladha which occur at the beginning of the year.

A5. Unusual Items

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

A6. Material Changes in Estimates

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

A7. Debt and Equity Securities

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	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	31 July 2023	Quarter	31 July 2023	Period
	RM	31 July 2022	31 July 2022	RM
Communications and IoT products	90,555,472	93,335,937	164,153,688	181,539,432
Electronics devices	12,594,034	13,110,099	26,030,319	21,822,586
Semiconductor components	5,887,360	5,506,239	13,482,066	9,304,693
	<u>109,036,866</u>	<u>111,952,275</u>	<u>203,666,073</u>	<u>212,666,711</u>

Revenue segmented by geographical markets

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	31 July 2023	Quarter	31 July 2023	Period
	RM	31 July 2022	31 July 2022	RM
MALAYSIA	22,146,180	34,853,410	38,585,263	74,226,944
AMERICAS	61,158,290	54,519,189	111,894,380	97,791,920
ASIA PACIFIC (excluding Malaysia)	14,627,475	12,138,596	30,013,889	18,956,816
EUROPE	11,104,921	10,441,080	23,172,541	21,691,031
	<u>109,036,866</u>	<u>111,952,275</u>	<u>203,666,073</u>	<u>212,666,711</u>

A9. Dividend Paid

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

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

A10. Property, Plant and Equipment

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

A11. Capital Commitments

	Unaudited As at 31 July 2023 RM	Audited As at 31 January 2023 RM
Contracted but not provided for:		
- Property, plant and equipment	1,521,676	5,259,402
Approved but not provided for:		
- Property, plant and equipment	52,369,897	31,544,324
	53,891,573	36,803,726

A12. Changes in the Composition of the Group

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

A13. Contingent Liabilities and Contingent Assets

There was no material contingent liability or contingent asset to be disclosed as at the date of this report.

A14. Significant Related Party Transactions

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

A15. Fair value of financial instruments

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

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

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

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

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

	Unaudited As at 31 July 2023 RM	Audited As at 31 January 2023 RM
Levels 1		
Financial assets at fair value through profit or loss - Placements in money market funds	34,417,203	1,965,053

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

A16. Material Events Subsequent to the end of the Quarter

No material event subsequent to the end of the current quarter and financial year-to-date that has not been reflected in this unaudited condensed interim financial statement.

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

B1. Review of performance

	Individual Period (a)		Changes (Amount/%) +/(-)	Cumulative Period (a)		Changes (Amount/%) +/(-)
	(1st quarter)			Current Year To- date	Preceding Year Corresponding Period	
	Current Year Quarter	Preceding Year Corresponding Quarter				
	31-Jul-2023	31-Jul-2022		31-Jul-2023	31-Jul-2022	
Revenue	109,036,866	111,952,275	(2.6)	203,666,073	212,666,711	(4.2)
Gross Profit	15,303,280	12,287,293	24.5	22,865,185	19,823,333	15.3
Profit Before Interest and Tax	12,694,445	9,227,771	37.6	20,857,412	14,091,701	48.0
Profit Before Tax	13,410,495	8,376,231	60.1	22,072,399	12,757,399	73.0
Profit After Tax	10,550,495	7,073,231	49.2	18,612,399	12,088,399	54.0
Profit Attributable to Ordinary Equity Holder of the Parent	10,550,495	7,073,231	49.2	18,612,399	12,088,399	54.0

(a) Results for current quarter

For the current quarter ended 31 July 2023 under review, the Group recorded a revenue of RM109.0 million. The communication and IoT products contributed RM90.5 million (83.1%), electronics devices contributed RM12.6 million (11.5%) and semiconductor components contributed the remaining RM5.9 million (5.4%). In the preceding year's corresponding quarter, the Group recorded a revenue of RM111.9 million. Communication and IoT products contributed RM93.3 million (83.3%), electronics devices contributed RM13.1 million (11.7%) and semiconductor components contributed the balance RM5.5 million (5.0%).

The Group recorded a profit before tax of RM13.4 million for the current quarter as compared to a profit before tax of RM8.4 million recorded in the corresponding quarter of the preceding year. Compared to the preceding year's corresponding quarter, the Group recorded a higher profit before tax for the quarter under review resulting from optimisation of operation efficiencies and strengthening of US dollar.

(b) Results for financial year-to-date

For the current cumulative quarters ended 31 July 2023 under review, the Group recorded a revenue of RM203.7 million. The communication and IoT products contributed RM164.2 million (80.6%), electronics devices contributed RM26.0 million (12.8%) and semiconductor components contributed the remaining RM13.5 million (6.6%). In the preceding year's corresponding quarter, the Group recorded a revenue of RM212.7 million. Communication and IoT products contributed RM181.6 million (85.4%), electronics devices contributed RM21.8 million (10.2%) and semiconductor components contributed the balance RM9.3 million (4.4%).

The Group recorded a gross profit of RM22.9 million for the current cumulative quarters as compared to RM19.8 million recorded in the corresponding cumulative quarters of the preceding year. The Group has a relatively stronger gross profit margin compared to the corresponding cumulative quarters in the preceding year - mainly contributed by a composition of (i) product mix with higher profit margin, and (ii) stronger US dollar.

The Group recorded a profit before tax of RM22.1 million for the current cumulative quarters as compared to profit before tax of RM12.8 million for the corresponding cumulative quarters in the preceding year despite recording the decline in total revenue of RM9.0 million – largely arising from

deferment of customers' orders as customers prioritise the depletion of their high inventory holdings. The higher profit before tax was partly contributed by more effective capital management.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Quarter 31-Jul-2023	Immediate Preceding Quarter 30-Apr-2023	Changes (Amount/%)
Revenue	109,036,866	94,629,207	15.2%
Gross Profit	15,303,280	7,561,905	102.4%
Profit Before Interest and Tax	12,694,445	8,162,967	55.5%
Profit Before Tax	13,410,495	8,661,904	54.8%
Profit After Tax	10,550,495	8,061,904	30.9%
Profit Attributable to Ordinary Equity Holder of the Parent	10,550,495	8,061,904	30.9%

The Group recorded a revenue and profit before tax of RM109.0 million and RM13.4 million - representing an increase of RM14.4 million in revenue and RM4.7 million in profit before tax respectively for the current quarter.

The profit before tax for the quarter under review was higher than the preceding quarter, contributed by operation efficiency improvement, product mix with higher profit margin and strengthening of US dollar.

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

B3. Prospects for the Group

Similar to its industry peers, the Group continues to be confronted with various global economy, geo-political, supply chain and financial markets volatilities.

To manage and overcome these challenges, the Group continues to remain prudent and cautiously optimistic in navigating through such unpredictable global markets as it strives to continue to selectively invest in technology infrastructure to further diversify and enhance the Group's IoT and automotive manufacturing capabilities - including manufacturing components for electric vehicles ("**EV**").

In progressing the Group's sustainability plans and commitment to achieve zero net emission target by 2050, the Group has successful:

- (a) installed two EV charging stations at the parking bay on the 22 August 2023, and
- (b) installed and energised a 2.5783 megawatt-peak ("**MWp**") rooftop solar photovoltaic on 13 September 2023,

at its manufacturing plant in Kulim High Tech Park.

The order book is approximately RM322 million on 18 September 2023.

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

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

	Current quarter ended		Cumulative quarter ended	
	31 July 2023	31 July 2022	31 July 2023	31 July 2022
	RM	RM	RM	RM
After Charging:				
Depreciation of property, plant and equipment	3,170,175	1,895,361	6,269,166	3,652,394
Employee benefits expense	11,787,315	11,706,864	25,374,441	22,152,093
Expenses relating to lease of low value assets	8,610	7,560	8,610	13,390
Expenses relating to short-term leases	9,000	4,014	18,035	43,193
Interest expenses on:				
- Finance lease	21,472	606	46,348	1,867
- Term loans	309,783	289,352	350,099	500,727
- Bankers acceptances and OFCL	-	566,039	251,764	941,590
- Revolving credit	3,500	-	3,500	13,068
Loss on foreign exchange				
- Realised	-	787,385	-	885,375
- Unrealised	4,057,204	189,334	2,462,643	637,489
And crediting:				
Gain on foreign exchange:				
- Realised	4,541,676	-	6,013,563	-
- Unrealised	-	-	-	-
Fair value gain on revaluation of short term investment *	82,944	209,264	216,923	268,720
Interest income	1,094,714	53,875	1,950,144	209,593
Reversal of obsolescence/slow moving inventories	-	193,437	-	193,437

*Included in Other Income

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

B5. Income tax expense

	Current Quarter ended		Cumulative quarter ended	
	31 July 2023	31 July 2022	31 July 2023	31 July 2022
	RM	RM	RM	RM
Current period income tax	1,355,000	396,000	1,355,000	763,000
Deferred tax	1,505,000	907,000	1,505,000	(94,000)
	<u>2,860,000</u>	<u>1,303,000</u>	<u>2,860,000</u>	<u>669,000</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 as at 16 December 2021 (“IPO”) proceeds of RM104.7 million was fully utilised as of 31 July 2023:

Purpose	Intended Timeframe for Utilisation	Proposed Utilisation	%	Actual Utilisation	Balance as at 31 July 2023
		RM		RM	RM
Purchase of new machinery and equipment	within 24 months (1)	40,000,000	38.2	40,000,000	-
Repayment of bank borrowings	within 6 months (1)	29,520,000	28.2	29,520,000	-
Working capital	within 36 months (1)	28,128,600	26.9	28,128,600	-
Listing expenses	within 6 months (1)	7,085,000	6.7	7,085,000	-
Total		104,733,600	100.0	104,733,600	-

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

B9. Utilisation of proceeds raised from the Private Placement

The utilisation of the Private Placement proceeds of RM77,725,060 (received on 7 February 2023) was utilised in the following manner as of 31 July 2023:

Purpose	Intended Timeframe for Utilisation	Proposed Utilisation	%	Actual Utilisation	Balance as at 31 July 2023
		RM		RM	RM
Purchase of 3 additional surface mount technology lines	within 24 months (2)	25,000,000	32.2	-	25,000,000
Installation of Rooftop Solar	within 12 months (2)	2,000,000	2.6	1,709,000	291,000
Part repayment of bank facilities	within 3 months (2)	29,925,060	38.5	29,925,060	-
Investment for new manufacturing plant	within 24 months (2)	20,000,000	25.7	1,358,433	18,641,567
Expenses in relation to the Private Placement	within 6 months (2)	800,000	1.0	800,000	-
Total		77,725,060	100.0	33,792,493	43,932,567

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

B10. Group's Borrowings and Debts Securities

The details of the Group's borrowings as at 31 July 2023 are as follows: -

	As at 2nd quarter FYE 2024					
	Long term		Short term		Total borrowing	
	Foreign denomination ^	RM denomination ^	Foreign denomination ^	RM denomination ^	Foreign denomination ^	RM denomination ^
Secured:						
Bankers acceptances	-	-	-	-	-	-
Onshore foreign currency loan (OFCL)	-	-	-	-	-	-
Finance lease	-	187,298	-	51,886	-	239,184
Term loans/ Islamic financing	-	18,314,274	-	5,028,383	-	23,342,657
Total	-	18,501,572	-	5,080,269	-	23,581,841

	As at 2nd quarter FYE 2023					
	Long term		Short term		Total borrowing	
	Foreign denomination ^	RM denomination ^	Foreign denomination ^	RM denomination ^	Foreign denomination ^	RM denomination ^
Secured:						
Bankers acceptances	-	-	-	5,433,000	-	5,433,000
Onshore foreign currency loan (OFCL)	-	-	85,796,184	-	85,796,184	-
Finance lease	-	-	-	46,834	-	46,834
Term loans/ Islamic financing	-	22,115,395	-	5,018,559	-	27,133,954
Revolving credit	-	-	-	-	-	-
Total	-	22,115,395	85,796,184	10,498,393	85,796,184	32,613,788

^ The OFCL is denominated in USD with the current quarter closing foreign exchange rate at USD1.00 = RM4.504 compared to preceding year corresponding quarter of USD1.00 = RM4.4505. there is no outstanding OFCL as at 31 July 2023.

The Group's borrowing facilities comprise of largely floating rate facilities bearing interest/profit rates ranging from 4.09% to 5.15% per annum during the quarter under review (preceding quarter (4.05% to 5.85%).

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.

There is no unsecured borrowing during the quarter under review.

B11. Material Litigation

There was no material litigation by the Company in the quarter under review.

B12. Dividends

The first interim tax exempt (single tier) dividend of 2.30 sen per ordinary share for the financial year ending 31 January 2024 amounting to RM9,061,954.00 was declared on 29 September 2023 and is to be paid on 10 November 2023.

B13. Earning Per Shares (“EPS”)

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

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

	Individual Quarter		Cumulative Quarter	
	31 July 2023	31 July 2022	31 July 2023	31 July 2022
(i) Basic EPS				
Profit attributable to ordinary equity owners of the Company (RM)	10,550,495	7,073,231	18,612,399	12,088,399
Earnings per ordinary share attributable to owners of the Company				
Weighted average number of ordinary shares	392,810,663	358,180,000	392,810,663	358,180,000
Earnings per ordinary share (sen)	<u>2.69</u>	<u>1.97</u>	<u>4.74</u>	<u>3.37</u>
(ii) Diluted EPS				
Profit attributable to ordinary equity owners of the Company (RM)	10,550,495	7,073,231	18,612,399	12,088,399
Earnings per ordinary share attributable to owners of the Company				
Weighted average number of ordinary shares	393,135,663	358,180,000	393,135,663	358,180,000
Earnings per ordinary share (sen)	<u>2.68</u>	<u>1.97</u>	<u>4.73</u>	<u>3.37</u>

B14. Fair value of financial liabilities

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