6. INFORMATION ON OUR GROUP *(Cont'd)*

A summary of our Group's total workforce by departments as at 30 June 2024 and as at the LPD are as set out below:

	As at 30 June 2024			As at the LPD		
Designation/ Department	**Local employees**	**Foreign employees**	**Sub-total**	**Local employees**	**Foreign employees**	**Sub-total**
Executive directors and key senior management	4	0	4	4	0	4
Production	44	13	57	47	13	60
Finance, human resource and administration	23	5	28	25	4	29
System engineering	18	9	27	22	9	31
Sales and support	24	8	32	26	10	36
Proposal/ project	28	6	34	29	6	35
Purchasing, stores and logistic	11	0	11	12	0	12
Quality assurance/ control	4	0	4	4	0	4
Information technology	5	0	5	4	0	4
Total	**161**	**41**	**202**	**173**	**42**	**215**

None of our employees belong to any labour union. As at the LPD, there have not been any major industrial dispute pertaining to our employees. Over the Financial Period Under Review and up to the LPD, there has not been any incidence of work stoppage or labour disputes that has materially affected our operations.

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6. INFORMATION ON OUR GROUP *(Cont'd)*

6.10 MAJOR CUSTOMERS

Our top 5 major customers for the Financial Period Under Review are as follows:

FYE 2021

No.	Customers	Country(ies)	Main type of products/ services provided	Revenue contribution RM'000	Revenue contribution %	Length of relationship [1]Years
1	Wilmar group of companies[2]	China, Ghana, Papua New Guinea, Vietnam, Indonesia, Ukraine, South Africa and Malaysia	Process control and power distribution system, and supply of related products and services	[3]10,943	19.50	19
2	Siemens Energy group of companies[4]	Malaysia and Singapore	Power distribution system and NER	4,121	7.34	1
3	T7 Gastec Sdn Bhd[5]	Malaysia	LV switchboard, MCC panel, and transformer	3,931	7.01	<1
4	Sapura Energy group of companies[6]	Malaysia	Ex solar PV system	3,648	6.50	4
5	Fortress Code[7]	Malaysia	Process control system	2,998	5.34	<1
			Sub-total for top 5 customers	**25,641**	**45.69**	
			Total revenue	**56,115**	**100.00**	

6. INFORMATION ON OUR GROUP *(Cont'd)*

FYE 2022

No.	Customers	Country(ies)	Main type of products/ services provided	Revenue contribution RM'000	Revenue contribution %	Length of relationship [1]Years
1	Wilmar group of companies[2]	China, Ghana, Vietnam, Indonesia, Ukraine, South Africa, Myanmar and Malaysia	Process control and power distribution system, and supply of related products and services	[8]19,747	24.13	20
2	LIPICO group of companies[9]	Singapore, China and Malaysia	Process control system	6,816	8.33	9
3	Customer A[10]	Thailand	Ex solar PV system and Ex distribution board	5,515	6.74	3
4	Oceancare Corporation Sdn Bhd[14]	Malaysia	LV switchboard and provision of technical services	3,104	3.79	8
5	Siemens Energy group of companies[4]	Malaysia	LV switchboard and NER	3,067	3.75	2
			Sub-total for top 5 customers	**38,249**	**46.73**	
			Total revenue	**81,843**	**100.00**	

6. INFORMATION ON OUR GROUP *(Cont'd)*

FYE 2023

No.	Customers	Country(ies)	Main type of products/ services provided	Revenue contribution RM'000	Revenue contribution %	Length of relationship [1]Years
1	Wilmar group of companies[2]	China, Ghana, Vietnam, Indonesia, Ukraine, South Africa, Myanmar and Malaysia	Process control and power distribution system, and supply of related products and services	[11]15,755	17.05	21
2	OceanMight Sdn Bhd[12][14]	Malaysia	Ex solar PV system, and Ex diesel-powered generator system	14,102	15.26	4
3	Customer A[10]	Thailand	Ex solar PV system, Ex distribution board and Ex navigational aids system	12,797	13.85	4
4	LIPICO group of companies[9]	Singapore, China and Malaysia	Process control system	6,816	7.37	10
5	Malaysia Marine and Heavy Engineering Sdn Bhd[13]	Malaysia	Ex solar PV system, Ex switchracks and Ex distribution boards	4,969	5.38	11
			Sub-total for top 5 customers	**54,439**	**58.90**	
			Total revenue	**92,426**	**100.00**	

6. INFORMATION ON OUR GROUP *(Cont'd)*

FPE 2024

No.	Customers	Country(ies)	Main type of products/ services provided	Revenue contribution RM'000	Revenue contribution %	Length of relationship [1]Years
1	Wilmar group of companies[2]	China, Papua New Guinea, Republic of Côte d'Ivoire, Myanmar, Ghana, Uganda, Zambia, Vietnam, Indonesia, and Malaysia	Process control system, and technical services	[15]10,246	12.58	22
2	Customer A[10]	Thailand	Ex solar PV system, Ex distribution board and Ex navigational aids system	9,934	12.20	5
3	Malaysia Marine and Heavy Engineering Sdn Bhd[13]	Malaysia	Ex solar PV systems, Ex switchracks, distribution boards, and Ex navigational aids system	8,254	10.13	12
4	Equator Engineering Sdn Bhd	Malaysia	LV switchboards	7,796	9.57	1
5	PTT Exploration and Production Public Company Limited (PTTEP)[16]	Thailand and Malaysia	Ex solar PV system, and technical services	6,386	7.84	4
			Sub-total for top 5 customers	**42,616**	**52.32**	
			Total revenue	**81,446**	**100.00**	

Notes:

(1) The length of relationship is determined at each of the respective financial periods.

(2) Wilmar group of companies consists of subsidiaries and associates of Wilmar International Limited, a company listed on the Singapore Stock Exchange with headquarters in Singapore.

(3) For the FYE 2021, our revenue contributed by the Wilmar group of companies were from the Yihai Kerry group of companies[(a)] in China; Ghana Specialty Fats Industries Ltd in Ghana; Associated Mills Limited in Papua New Guinea; Cai Lan Oils & Fats Industries Co. Ltd and Wilmar Agro Vietnam Company Ltd in Vietnam; PT Wilmar Nabati Indonesia, PT Duta Sugar International, PT Jawamanis Rafinasi and PT Sinar Alam Permai in Indonesia; Delta Wilmar Ukraine LLC in Ukraine; Wilmar SA (Pyt) Ltd in South Africa and TSH-Wilmar Sdn Bhd in Malaysia.

   (a) For the FYE 2021, our revenue contributed by the Yihai Kerry group of companies consists of 50 subsidiaries of Yihai Kerry Arawana Holdings Co. Ltd, a company listed on the Shenzhen Stock Exchange with headquarters in Shanghai, China.

(4) Siemens Energy group of companies consists of 2 subsidiaries of Siemens Energy AG namely Siemens Energy Sdn Bhd in Malaysia and Siemens Energy Pte Ltd in Singapore. Siemens Energy AG is a company listed on the Frankfurt Stock Exchange with headquarters in Munich, Germany. Siemens Energy AG is a spin-off of the former Gas and Power division of Siemens AG which focuses on the development, production, sales and installation of power and energy systems.

(5) T7 Gastec Sdn Bhd is a subsidiary of T7 Global Berhad, a company listed on the Bursa Malaysia.

(6) Sapura Energy group of companies consists of Sapura Energy Berhad and 5 subsidiaries and associates namely Sapura Fabrication Sdn Bhd (Malaysia operations), Sapura Pinewell Sdn Bhd, Sapura Engineering & Construction (India) Pvt Ltd, Sapura Fabrication Sdn Bhd (Brunei operations) and SapuraOMV Upstream (Sarawak) Inc. Sapura Energy Berhad is a company listed on the Bursa Malaysia.

(7) Fortress Code is a related party transaction. Please refer to Section 9.1 of this Prospectus.

(8) For the FYE 2022, our revenue contributed by the Wilmar group of companies were from the Yihai Kerry group of companies[(a)] in China; Associated Mills Limited in Papua New Guinea; Ghana Specialty Fats Industries Ltd and Wilmar Africa Ltd in Ghana; Cai Lan Oils & Fats Industries Co. Ltd and Wilmar Agro Vietnam Company Ltd in Vietnam; PT Wilmar Nabati Indonesia, PT Duta Sugar International, and PT Jawamanis Rafinasi in Indonesia; Delta Wilmar Ukraine LLC in Ukraine; Wilmar SA (Pyt) Ltd in South Africa, Wilmar Sugar (Myanmar) Limited and Great Wall-Wilmar Holdings Limited in Myanmar and TSH-Wilmar Sdn Bhd in Malaysia.

   (a) For the FYE 2022, our revenue contribution by the Yihai Kerry group of companies consists of 46 subsidiaries of Yihai Kerry Arawana Holdings Co. Ltd, a company listed on the Shenzhen Stock Exchange with headquarters in Shanghai, China.

(9) LIPICO group of companies consists of LIPICO Technologies Pte Ltd, LIPICO (Shanghai) Oils & Fats Equipment Co., Ltd, LIPICO Bioenergy Pte Ltd and LIPICO

Engineering Sdn Bhd. LIPICO (Shanghai) Oils & Fats Equipment Co., Ltd and LIPICO Bioenergy Pte Ltd are subsidiaries of LIPICO Technologies Pte Ltd, while LIPICO Technologies Pte Ltd and LIPICO Engineering Sdn Bhd are related parties by virtue of a common director.

(10) Customer A is principally involved in design, engineering, procurement, fabrication, installation, pre-commissioning, and commissioning of upstream and downstream works for the O&G industry such as offshore facilities and onshore modules with business operations in Thailand. The name of Customer A has not been disclosed due to confidentiality clauses stated in the agreement executed with Customer A which prohibits the disclosure of information in relation to the customer without prior consent.

(11) For the FYE 2023, our revenue contribution by the Wilmar group of companies were from the Yihai Kerry group of companies[(a)] in China; Wilmar Processing SA Pty Ltd, Wilmar SA (Pyt) Ltd and Wilmar Africa Ltd in South Africa; Wilmar Sugar (Myanmar) Limited in Myanmar; Associated Mills Limited in Papua New Guinea, Wilmar Agro Vietnam Company Ltd in Vietnam; Ghana Specialty Fats Industries Ltd in Ghana; PT Wilmar Nabati Indonesia, PT Jawamanis Rafinasi and PT Wilmar Bioenergi Indonesia in Indonesia; and Wilmar Industries Zambia Limited in Zambia.

(a) For the FYE 2023, our revenue contribution by the Yihai Kerry group of companies consists of 55 subsidiaries of Yihai Kerry Arawana Holdings Co. Ltd, a company listed on the Shenzhen Stock Exchange with headquarters in Shanghai, China.

(12) OceanMight Sdn Bhd is a subsidiary of KKB Engineering Berhad, a company listed on the Bursa Malaysia.

(13) Malaysia Marine and Heavy Engineering Sdn Bhd is a subsidiary of Malaysia Marine and Heavy Engineering Holdings Berhad, a company listed on the Bursa Malaysia.

(14) Oceancare Corporation Sdn Bhd and OceanMight Sdn Bhd are not related companies.

(15) For the FPE 2024, our revenue contribution by the Wilmar group of companies were from the Yihai Kerry group of companies[(a)] in China; Associated Mills Limited in Papua New Guinea, Sania Cie in the Republic of Côte d'Ivoire, Wilmar Sugar (Myanmar) Limited in Myanmar, Ghana Speciality Fats Industries Ltd in Ghana, Bidco Uganda Limited in Uganda, Wilmar Industries Zambia Limited in Zambia, Wimar Agro Vietnam Company Limited and Calofic Corporation in Vietnam, PT Jawamanis Rafinasi, PT Multimas Nabati Asahan and PT Wilmar Bioenergi Indonesia in Indonesia, and TSH-Wilmar Sdn Bhd in Malaysia.

(a) For the FPE 2024, our revenue contribution by the Yihai Kerry group of companies consists of 60 subsidiaries of Yihai Kerry Arawana Holdings Co. Ltd, a company listed on the Shenzhen Stock Exchange with headquarters in Shanghai, China.

(16) Comprises PTTEP Energy Development Company Limited, PTTEP International Limited and PTTEP Sarawak Oil Limited, all of which are subsidiaries of PTTEP, a company listed on the Thailand Stock Exchange.

The revenue contribution from Wilmar group of companies was at 19.50% (RM10.94 million), 24.13% (RM19.75 million), 17.05% (RM15.76 million) and 12.58% (RM10.25 million) for the FYE 2021, FYE 2022, FYE 2023, and FPE 2024 respectively and as such we are dependent on

Wilmar group as a whole. However, this dependency is mitigated by our dealings with various subsidiary and associate companies within Wilmar group which are managed and operated by different management teams. Each company within Wilmar group conducts its own independent assessment of our products and purchasing decisions are made according to the needs of that particular company. Moving forward, we expect Wilmar group of companies to continue to contribute to our revenue, albeit lower contribution from its China operations. This is partly due to the lower growth of China's fixed asset investment in the food processing industry of 7.7% in 2023 compared to a growth of 18.8% and 15.5% in 2021 and 2022 respectively *(Source: IMR Report)*.

Notwithstanding that OceanMight Sdn Bhd and Customer A had contributed 15.26% (RM14.10 million) and 13.85% (RM12.80 million) of our total revenue for the FYE 2023 respectively, we are not dependent on OceanMight Sdn Bhd and Customer A as our business is PO-based where revenue contribution from major customers varies on a year-to-year basis. Furthermore, in FPE 2024, OceanMight Sdn Bhd is no longer a top 5 major customer and the revenue contribution from Customer A has decreased to 12.20% (RM9.93 million).

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6. INFORMATION ON OUR GROUP *(Cont'd)*

6.11 MAJOR SUPPLIERS

The table below lists our top 5 major suppliers for the Financial Period Under Review.

FYE 2021

No.	Suppliers	Country(ies)	Main products sourced	Purchases value RM	Purchases value %	Length of relationship [(1)]Years
1	Emerson Automation Solutions Intelligent Platforms (Shanghai) Co., Ltd.[(4)]	China	PLC and software	6,927	17.20	2
2	Siemens group of companies[(2)]	Malaysia and China	PLC, other industrial automation, and power control devices	6,781	16.84	10
3	IDEC Izumi Asia Pte Ltd[(3)]	Singapore	Industrial automation and power control devices	2,633	6.54	8
4	Cressall Resistors Limited	United Kingdom	NER resistor banks	2,168	5.38	6
5	Shenzhen Jinming Technology Co. Ltd	China	PLC and software	1,121	2.78	<1
			Sub-total of top 5 suppliers	**19,630**	**48.74**	
			Total purchases	**40,263**	**100.00**	

FYE 2022

				Purchases value		Length of relationship
No.	**Suppliers**	**Country(ies)**	**Main products sourced**	**RM**	**%**	**[1]Years**
1	Siemens group of companies[2]	Malaysia and China	PLC, other industrial automation and power control devices	9,980	18.77	11
2	Emerson group of companies[4]	Singapore and China	PLC and software	6,221	11.70	3
3	Cressall Resistors Limited	United Kingdom	NER resistor banks	3,103	5.83	7
4	IDEC Izumi Asia Pte Ltd[3]	Singapore	Industrial automation and process control devices	2,491	4.68	9
5	Supplier A[5]	Netherlands	Ex enclosures and accessories	2,133	4.01	4
			Sub-total of top 5 suppliers	**23,928**	**44.99**	
			Total purchases	**53,182**	**100.00**	

6. INFORMATION ON OUR GROUP *(Cont'd)*

FYE 2023

No.	Suppliers	Country(ies)	Main products sourced	Purchases value RM	Purchases value %	Length of relationship [(1)]Years
1	Siemens group of companies[(2)]	Malaysia and China	PLC, other industrial automation and power control devices	12,238	22.63	12
2	Cressall Resistors Limited	United Kingdom	NER resistor banks	3,550	6.57	8
3	Saft Batteries Pte Ltd	Singapore	Battery	3,214	5.94	6
4	Supplier A[(5)]	Netherlands	Ex enclosures and accessories	2,891	5.35	5
5	IDEC Izumi Asia Pte Ltd[(3)]	Singapore	Industrial automation and process control devices	2,114	3.91	10
			Sub-total of top 5 suppliers	**24,007**	**44.40**	
			Total purchases	**54,074**	**100.00**	

6. INFORMATION ON OUR GROUP *(Cont'd)*

FPE 2024

No.	Suppliers	Country(ies)	Main products sourced	Purchases value RM	Purchases value %	Length of relationship [(1)]Years
1	Siemens group of companies[(2)]	Malaysia and China	PLC, other industrial automation and power control devices	7,843	17.96	13
2	Emerson group of companies[(4)]	Singapore and China	PLC and software	2,628	6.02	5
3	Toyomi Engineering Sdn Bhd	Malaysia	Industrial electrical products	2,202	5.04	5
4	Supplier A[(5)]	Netherlands	Ex enclosures and accessories	1,819	4.17	6
5	Energyhub (M) Sdn Bhd	Malaysia	Battery	1,360	3.11	4
			Sub-total of top 5 suppliers	**15,852**	**36.30**	
			Total purchases	**43,667**	**100.00**	

Notes:

(1) The length of the relationship is determined at each of the respective financial period.

(2) Siemens group of companies consists of 2 subsidiaries of Siemens AG namely Siemens Malaysia Sdn Bhd in Malaysia and Siemens Ltd in China. Siemens AG is a company listed on the Frankfurt Stock Exchange with headquarters in Munich, Germany.

(3) IDEC Izumi Asia Pte Ltd is a subsidiary of IDEC Corporation, a company listed on the Tokyo Stock Exchange Prime Market.

(4) Emerson group of companies consists of 2 subsidiaries of Emerson Electric Co. namely Emerson Automation Solutions Intelligent Platforms (Shanghai) Co., Ltd. ("**Emerson China**") and Emerson Automation Solutions Intelligent Platforms Asia Pacific Pte Ltd. ("**Emerson Singapore**"). Emerson Electric Co. is a company listed on the New York Stock Exchange with headquarters in Missouri, United States. In FYE 2021, our Group, through Chongqing Swift China, purchased PLC and software from Emerson China. Subsequent to the acquisition of ALR in January 2022, in FYE 2022, FYE 2023 and FPE 2024, our Group, through Chongqing Swift China and ALR, purchased PLC and software from Emerson China and Emerson Singapore respectively.

(5) Supplier A is a privately-owned company principally involved in the manufacturing of explosion-proof and maintenance-free products such as fixtures, cable glands and enclosures with business operations in the Netherlands. The name of Supplier A has not been disclosed to safeguard the strategic business and competitive position of our Group and our supplier, as well as to safeguard the confidentiality of information on them.

For the Financial Period Under Review, we are dependent on the Siemens group of companies as our purchases from the Siemens group of companies represented 16.84% (RM6.78 million), 18.77% (RM9.98 million), 22.63% (RM12.24 million) and 17.96% (RM7.84 million) of total purchases for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively.

As a Siemens technology partner for SIVACON S8 LV switchboard range of products, we fabricate switchboards and MCC panels based on Siemens' specifications and designs. As such, we are required to purchase circuit breakers, busbar support and special profile busbar from Siemens for the fabrication and assembly of the SIVACON S8 LV switchboard and MCC panels.

The minimum number of units of SIVACON S8 LV switchboard range of products stipulated by the License Agreement to be purchased by SESB is as follows:

FYE	Number of SIVACON S8 LV switchboard range of products (units/panels)
2023	200
2024	350
2025	300
2026	350
2027	400

For the FYE 2024, SESB had purchased 355 units of SIVACON S8 LV switchboard range of products.

Additionally, we are also a certified Siemens System Integrator for Siemens' products under the factory automation, process automation and digital connectivity and power categories. As such, we purchase Siemens' SIMATIC controllers including SCADA, DCS, PLC, RTU and other related products and accessories for the provision of process control systems, as well as for distribution to customers seeking the said Siemens' products.

We have been Siemens' partner and have been sourcing materials from Siemens Malaysia Sdn Bhd for approximately 13 years, as at the LPD. This indicates a stable and long-term relationship with the supplier and brand owner. Our purchases from Siemens are beneficial to them as we contribute to their revenue.

Our reliance on Siemens is primarily centered around using Siemens branding for our SIVACON LV switchboard, engaging in technology partnerships, and sourcing Siemens parts and components. However, in the event that we lose our partnership and supply from Siemens as a Siemens technology partner for SIVACON S8 LV switchboard range of products, we have the capability to develop our own LV switchboard, procure parts and components from other brands, and market our LV switchboard under our own brand.

As a certified Siemens System Integrator for Siemens' products, in the event we lose our certification, we may have to procure Siemens' parts and components from other distributors to fulfil our customers' orders for the provision of process control system, and this may adversely affect our profitability and financial performance.

Additionally, we are dependent on the Emerson group of companies. We, through ALR and Chongqing Swift China, are Authorised Distributors of Emerson Singapore and Emerson China for Malaysia and China market respectively. In FYE 2021, our Group, through Chongqing Swift China, purchased PLC and software from Emerson China which represented 17.20% (RM6.93 million) of total purchases in FYE 2021. Subsequent to the acquisition of ALR in January 2022, in FYE 2022 and FYE 2023, our Group, through Chongqing Swift China and ALR, purchased PLC and software from Emerson China and Emerson Singapore respectively. Our purchases from the Emerson group of companies represented 11.70% (RM6.22 million), 3.42% (RM1.85 million), and 6.02% (RM2.63 million) of total purchases in FYE 2022, FYE 2023 and FPE 2024 respectively. As such, we are reliant on Emerson for the direct supply of certain products and software under our respective distributorship agreement with Emerson. We have been Emersons' partner and have been sourcing materials from Emerson China and Emerson Singapore for approximately 5 years and 4 years respectively, as at the LPD.

Our dependency on Emerson Group of companies is mainly from purchasing their PLC and software. However, if we are unable to directly obtain supply from Emerson Group of companies, we have the option to purchase similar PLC and software from their authorised distributors or from alternative suppliers of different brands. As such, we are not dependent on the distributorship agreements with Emerson Group of companies.

Meanwhile, we are not dependent on the other remaining major suppliers as they contributed less than 10.00% of our total purchases and the materials supplied are readily available from other suppliers.

6.12 EXCHANGE CONTROL

Malaysia

All corporations in Malaysia are required to adopt a single-tier system. As such, all dividends distributed by Malaysian corporations under this system are not taxable. Furthermore, the Malaysian Government does not levy withholding tax on dividends payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian corporations. There is also no Malaysian capital gains tax arising from the disposal of listed shares. However, in the event the capital gain arising from the disposal of listed shares is revenue in nature, such gain can be subject to income tax.

Singapore

Exchange Control, Repatriation of Capital and Remittance of Profits

Singapore has no significant exchange or currency controls. Funds and proceeds, including profits and dividends may be repatriated freely from Singapore provided that they are not proceeds or benefits derived from or traced to criminal conduct, in which case, they may be confiscated pursuant to applicable laws, including *inter alia*, the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992. Subject to compliance with the requirements of the Companies Act 1967 of Singapore and a company's constitution on capital reduction and share repurchase, there are no restrictions in Singapore on payments to foreign shareholders arising from such return of capital or share repurchase. Receipt of funds into Singapore is generally not restricted, however receiving banks may be required to be satisfied of the propriety of the source of funds and that they are not proceeds from or intended to finance money laundering or terrorism.

Taxation of capital gains

Capital gains are not taxable. These include gains on sale of fixed assets and gains on foreign exchange on capital transactions. However, gains may be taxable as income if property is bought or sold with a profit-seeking motive or the activity is deemed to be trading in property based on criteria such as, *inter alia*, frequency of the transactions and holding periods.

Taxation of dividend

Dividends paid by Singapore resident companies are not subject to withholding tax. Dividends may only be paid out of profits available for distribution. There is a waiver of withholding tax on all payments under Section 12(6) and 12(7) of the Income Tax Act 1947 of Singapore ("**ITA**"), such as interest, commission, royalties or management fees made to Singapore branches of non-resident companies on or after 21 February 2014.

PRC

Exchange control

There are no foreign exchange controls on dividends or distribution of the PRC company to Swift Energy. According to Article 21 of the Foreign Investment Law of the PRC (《外商投资法》), foreign investors can, according to the present Law, freely remit into or out of the PRC, in RMB or any other foreign currency, their capital contributions, profits, capital gains, income from asset disposal, intellectual property royalties, lawfully acquired compensation, indemnity or liquidation income and so on within the territory of the PRC.

Taxation of capital gains

Capital gains are not taxable. These include gains on sale of fixed assets and gains on foreign exchange on capital transactions. However, gains may be taxable as income if property is bought or sold with a profit-seeking motive or the activity is deemed to be trading in property based on criteria such as, inter alia, frequency of the transactions and holding periods.

Taxation of dividend

According to the Company Law of the PRC (《公司法》), the PRC company may send dividends to its shareholders if the following conditions are satisfied: (a) settled tax obligations and paid other outstanding taxes; (b) made up the losses from the previous years (if any); (c) paid-up the registered capital or a capital injection scheduled as set out in the Articles of Association; (d) obtained the approval of the shareholders via a resolution; (e) contributed 10% of the after-tax profit to a statutory reserve fund.

According to Article 91 of Implementation Regulations for the Corporate Income Tax Law of the PRC (《企业所得税法实施条例》), the dividends obtained by non-resident enterprises from domestic resident enterprises shall be subject to corporate income tax at the rate of 10%, which will be applied when the shareholder Swift Energy obtain the dividends from the PRC Company.

Thailand

Exchange control

Thailand's exchange controls are administered by the Bank of Thailand (**"BOT"**) on behalf of the Ministry of Finance, pursuant to the Exchange Control Act B.E. 2485 (1942) (as amended) ("**ECA**"). The BOT has granted commercial banks and certain other entities the authority to conduct foreign exchange transactions as its authorized agents (the "**Authorized Juristic Persons**").

Since 1998, the BOT has instituted measures to restrict certain foreign exchange transactions relating to the THB currency by domestic financial institutions with non-residents of Thailand and to safeguard against instability and speculation in the domestic currency market. However, relaxations may be granted from time to time as the BOT considers appropriate to the particular financial circumstances. These measures, among other things: (i) limit the value of foreign exchange transactions relating to the THB currency that commercial banks in Thailand can enter with a non-resident who has underlying trade or investment activities in Thailand for such foreign exchange transactions not exceeding the actual value of the underlying trade or investment activity and, for the transactions without any underlying trade or investment activity in Thailand, not exceeding THB200 million per non-resident and its related parties as a group, except for foreign exchange spot transactions that relate to the Baht currency; and (ii) regulate direct loans granted to non-residents.

Under the ECA, outward remittance (in foreign currency) for the payment of certain transactions, such as payment for imported goods, services, royalties, principal and interest payment on overseas loans in which such loan is remitted in Thailand, repatriation of dividends after payment of the applicable Thai taxes (if applicable), may be made up to the amount of obligations through the Authorized Juristic Persons, except for the transactions listed under the negative list of the relevant regulations announced by the BOT which requiring the prior approval from the BOT. In addition, there is no limit imposed on the amount of foreign currency which can be transferred into or brought into Thailand. Nevertheless, individuals receiving foreign currencies from overseas totalling USD1 million or more are required to promptly exchange them into THB at an authorized bank or deposit the funds into a foreign currency account at an authorized bank within a period of 360 days from the date of receipt. Moreover, individuals carrying foreign currency bank notes exceeding a total of USD20,000 into or out of the country are obligated to declare the amount to a customs officer.

As part of the outward remittance process, relevant information, including the identity of the applicant and the purpose of the transaction, must be submitted to the Authorized Juristic Persons. The submission of additional supporting documents or evidence will also be required except in these cases:

(a) In the case of spot transactions, the applicant satisfies the Know-Your-Business criteria of the Authorized Juristic Persons or the amount of the transaction is less than USD200,000 or the equivalent amount in relevant currency per remittance.

(b) In the case of forward transactions, the applicant satisfies the Know-Your-Business criteria of the Authorized Juristic Persons, and the transaction amount is within the limit as agreed to between the applicant and the Authorized Juristic Persons.

Repatriation of capital investments in foreign currencies may be made freely without requiring permission as well as the repatriation of the principal amounts under loan agreements, repayment of capital investment following the liquidation of a business, and sale of equities. Additionally, outward remittances by Thai residents of foreign currencies may be made freely without requiring permission under the following conditions, among others: (a) in the case of a juristic entity, (i) making overseas investments of at least 10% in such shareholdings or loan extended to their overseas affiliated business establishments, in an unlimited appropriate amount; (ii) lending to overseas business establishments; or (b) in the case of an individual, making overseas investments of at least 10% in such shareholdings or loan extended to overseas business establishments in an unlimited appropriate amount.

Taxation of capital gains

Gains realised by a non-resident corporate shareholder from the sale or other disposition of ordinary shares outside Thailand, in connection with which payment is made neither from nor within Thailand and where neither the purchaser nor the seller resides or does business in Thailand, within the meaning prescribed in the Revenue Code, are not subject to Thai withholding tax.

A non-resident corporate shareholder will be subject to Thai withholding tax of 15% on gains realised from any sale or other disposition of ordinary shares in Thailand in connection with which payment is made from or within Thailand unless the shareholder is entitled to an exemption under an applicable tax treaty.

For Thai withholding tax purposes, the value of gains realised is equal to the difference between the sale price of the shares and the amount paid by the shareholder for the shares (as justifiably established by the shareholder). This determination is made on a share-by-share basis. In the foregoing instances where withholding tax applies, a purchaser of ordinary shares is required under Thai law to withhold the applicable amount of Thai withholding tax from the sale price and make payment thereof to the relevant Thai tax authority.

Taxation of dividends

Generally, dividends paid by the Thai Company in respect of ordinary shares are subject to Thai withholding tax at a rate of 10%, whether paid to non-resident corporate shareholders or to non-resident individual shareholders, except in the case where an exemption under applicable double tax treaties applies.

6.13 ENVIRONMENT, SOCIAL AND GOVERNANCE ("ESG")

We recognise the importance of adopting ESG practices such as ensuring environmentally responsible operations, providing conducive workplaces for employees and maintaining a high standard of corporate governance. As such, we will focus on the following 3 broad categories:

Environmental

Our Group recognises that our business activities have direct and indirect consequences on the wider environment and are committed to reduce our impact on the environment. We started collecting consumption data on electricity, water and waste produced. With the consumption data, we will be able to roll out initiatives to effectively reduce waste and manage the consumption of electricity and water. The following practices are among the measures that have been implemented and are in the midst of implementing:

(a) **Clean energy generation:** The use of electricity is essential in our fabrication process. As part of our efforts to support clean energy generation and lower our carbon footprint, we plan to install a 254.88 kW solar PV systems at our operational facilities in Shah Alam in the 2nd half of 2024. The projected investment cost for this initiative is estimated at RM955,272, which will be financed through bank loans. The planned solar PV systems are expected to generate 353,519kWh of electricity in its first year of operation, which is equivalent to the reduction of approximately 225.90 (tCO2e) tonnes of carbon dioxide equivalent.

(b) **Energy efficiency**: Our new offices are equipped with heating, ventilation, and air conditioning ("**HVAC**") with VFD control that is more efficient in regulating temperature and thus consumes less electricity. Besides that, we also utilise light-emitting diodes ("**LEDs**") for general illumination in our office, which uses up to 90% less energy compared to traditional incandescent bulbs.

(c) **Energy conservation**: We practice energy conservation throughout our operations by encouraging our employees to adopt practices such as turning off computer devices and lighting when not in use, as well as reducing paper printing. This is aimed at reducing our carbon footprint in the operations of our business.

(d) **Environmental compliance:** In compliance with the Environmental Quality Act 1974 enforced by the Department of Environment, we have ISO 14000:2015 Environmental Quality Management System certification for our Malaysian operations, engaging licensed scheduled waste collector to collect and treat the production waste generated from our business activities.

Social

We recognise that our employees play an important role in achieving our operational, strategic and financial objectives and as such, we strive to develop and nurture skilled talent through the following practices:

(a) **Employee health and safety**: We employed a qualified competent person to manage the health and safety processes by assessing risks, implementing action plans and measures as well as ensuring that such plans and measures are in accordance with our Group's Health and Safety policies and local regulations. We provide a safe and conducive workplace for our employees, prioritise worker safety through comprehensive safety and health training programs, safety protocols and inspection. Our processing facility and machineries installed within our factories have been registered under the Factories and Machinery Act 1967, any necessary CF for applicable machineries has also been obtained and maintained. Safety and health related trainings are also conducted annually to increase the level of safety and health awareness among all employees.

(b) **Career development:** We recognise the potential of our employees and the need to support their career development through the provision of continuous training and development. We conduct Training Needs Analysis (TNA) annually to identify the development and training needs required at various levels of our Group. By doing so, we are enhancing their performance and productivity while supporting our employees' career development. We continuously provide training to our employees to enhance their skills and knowledge.

(c) **Equal opportunity and diversity:** Our Group is committed to creating a work environment where mutual respect is practised across the entire organisation. We adopt equal opportunity and hire local policy that fosters diversity and practice equal employment opportunities with regard of gender, age, ethnicity, religion, marital status, amongst other factors. As at the LPD, we have hired a total of 214 employees from 5 races and 5 nationalities in 4 countries, of which approximately 33.17% are female.

(d) **Work-life balance and social activities:** We also strive to make our Group more attractive to local talents by improving the working environment and employee welfare and also prioritising work-life balance and eliminating all forms of discrimination in the workplace. Some of the activities that we organised in the Financial Years Under Review include weekly badminton, hiking trips, as well as festival celebrations such as Christmas, Chinese New Year and Hari Raya.

(e) **Internship:** We provide internship to local students from higher learning institutions from various faculties including engineering, IT, industrial engineering, business and finance.

Governance

Our Group understands that maintaining the relevant governance practices is imperative to safeguard the interests of and build trust with our investors and stakeholders. As at the LPD, our Board has progressively adopted the principles and practices as promulgated in the MCCG issued by the SC.

In our efforts to uphold good corporate governance, we have put in place the following group policies:

(a) Code of Conduct and Business Ethics Policy sets out our internal control policies and procedures, which include managing conflicts of interest, money laundering, preventing bribery and corruption, and insider trading;

(b) Anti-Bribery and Corruption Policy sets our procedures to ensure compliance with applicable anti-bribery and corruption laws and regulations, including the Malaysian Anti-Corruption Commission Act 2009;

(c) Whistleblowing Policy enables stakeholders, including customers, employees, suppliers, and the local community, to report any real suspicions or accusations regarding fraud within our Group, alleged unethical actions, or inappropriate business practices conducted by our employees or external parties in business relations with us;

(d) Personal Data Protection Act Policy act as guidance for the processing of personal data in commercial transactions as well as for employment purposes, in compliance with the Personal Data Protection Act 2010; and

(e) Diversity Policy sets out to promote diversity for our Board and workforce of our Group. Diversity in this context refers to age, gender, ethnicity, nationality, cultural background, religious belief and social-economic status.

VITAL FACTOR CONSULTING
Creating Winning Business Solutions

Vital Factor Consulting Sdn Bhd
Company No.: 199301012059 (266797-T)
V Square @ PJ City Centre (VSQ)
Block 6 Level 6, Jalan Utara
46200 Petaling Jaya
Selangor, Malaysia
Tel (603) 7931 3188
www.vitalfactor.com

20 November 2024

The Board of Directors
Swift Energy Technology Berhad
Lot 48521 (PT 25145), Jalan Palam 34/17
Seksyen 34,
40460 Shah Alam
Selangor Darul Ehsan

Dear Sirs and Madams

Independent Assessment of the Industrial Automation and Power System Industries

We are an independent business consulting and market research company based in Malaysia. We commenced our business in 1993 and, among others, our services include the provision of business plans, business opportunity evaluations, commercial due diligence, feasibility studies, financial and industry assessments, and market studies. We have also assisted in corporate exercises since 1996, having been involved in initial public offerings, takeovers, mergers and acquisitions, and business regularisations for public listed companies on the Bursa Malaysia Securities Berhad (Bursa Securities) where we acted as the independent business and market research consultants. Our services for corporate exercises include business overviews, independent industry assessments, management discussion and analysis, and business and industry risk assessments.

We have been engaged to provide an independent assessment of the above industry for inclusion in the prospectus of Swift Energy Technology Berhad for the listing of its shares on the ACE Market of Bursa Securities. We have prepared this report independently and objectively and have taken all reasonable consideration and care to ensure the accuracy and completeness of the report. It is our opinion that the report represents a true and fair assessment of the industry within the limitations of, among others, the availability of timely information and analyses based on secondary and primary market research as at the date of this report. Our assessment is for the overall industry and may not necessarily reflect the individual performance of any company. We do not take any responsibility for the decisions, actions or inactions of readers of this document. This report should not be taken as a recommendation to buy or not to buy the securities of any company.

Our report may include information, assessments, opinions and forward-looking statements, which are subject to uncertainties and contingencies. Note that such statements are made based on, among others, secondary information and primary market research, and after careful analysis of data and information, the industry is subject to various known and unforeseen forces, actions and inactions that may render some of these statements to differ materially from actual events and future results.

Yours sincerely

Wooi Tan
Managing Director

Wooi Tan has a degree in Bachelor of Science from the University of New South Wales, Australia and a degree in Master of Business Administration from the New South Wales Institute of Technology (now known as the University of Technology, Sydney), Australia. He is a Fellow of the Australian Marketing Institute and the Institute of Managers and Leaders. He has more than 20 years of experience in business consulting and market research, as well as assisting companies in their initial public offerings and listing of their shares on Bursa Malaysia Securities Berhad.

VITAL FACTOR CONSULTING
Creating Winning Business Solutions

Date of Report: 20 November 2024

INDEPENDENT ASSESSMENT OF THE INDUSTRIAL AUTOMATION AND POWER SYSTEM INDUSTRIES

1 OVERVIEW OF SWIFT ENERGY GROUP'S BUSINESS AND REPORT PARAMETERS

- Swift Energy Technology Berhad together with its subsidiaries (herein referred to as Swift Energy Group), is an industrial automation and power system provider focusing on process control, explosion-proof (Ex) solar PV, power distribution and other systems. Its process control systems mainly serve customers in the grain products, edible oil and food manufacturing industry in China as well as various other countries, while its power distribution systems and Ex solar PV systems mainly serve customers in the oil and gas industry in Malaysia and Thailand. These areas will form the focus of this report.

- All gross domestic product (GDP) referred to in this report is nominal GDP unless mentioned otherwise. All data and information in the report refer to Malaysia unless stated otherwise. The term power has the same meaning as electricity and they are used interchangeably. Low voltage (LV) in this report is taken to mean 1,000V and below. This report primarily discusses the 3-year compound annual growth rate (CAGR) data as it represents a more recent industry performance compared to the 5-year CAGR. Nevertheless, 3-year and 5-year CAGR data are provided.

2 INDUSTRIAL AUTOMATION FOCUSING ON PROCESS CONTROL SYSTEMS

- Industrial automation involves the use of process control systems that control machines, equipment, devices and instruments used in performing work, including, among others, manufacturing, processing, extraction, and transportation of materials. Process control systems use a combination of computing software, hardware, and communications technologies to receive data from sensors and instruments, process the input data, and transmit the processed data to other devices (for example to display information) or actuators that will trigger actions in machines, equipment or devices.

- For instance, sensors are used to measure the actual temperature in an industrial heating or cooling process, where the measured temperature is compared against the user setpoint. Should there be any deviation from the acceptable range, the process controller will generate a signal or instruction to activate a temperature-regulating device to bring the temperature back to the pre-set value.

- Process control system is the core of industrial automation that automatically controls machinery, equipment and devices to function in an integrated manner and accurately carry out each process in the correct timing and sequence, and for the required duration. As such, process control systems increase productivity and minimise manual intervention through automation, removing human error and thus increasing output quality as each step is programmed to be executed precisely based on defined conditions and algorithms. In addition, process control systems minimise workers' exposure to dangerous or unfavourable working conditions and situations.

- Some examples of process control systems include:
  - **supervisory control and data acquisition (SCADA) system** for controlling operations that straddle large geographical distances (such as gas pipelines);
  - **distributed control system (DCS)** for controlling operations commonly within a localised operational area such as a manufacturing plant;
  - **programmable logic controller (PLC)** for controlling production processes of one or several subsections of a plant or facility, commonly used in conjunction with a DCS;

- **remote terminal unit (RTU)** for remote (via wire and/or wireless communications) control of operations commonly associated with SCADA; and
- **human-machine interface (HMI)** which provides an interface between human operators and machines used with SCADA, DCS, PLC and RTU.

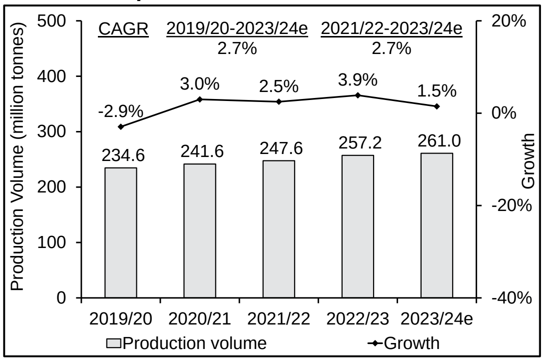
- Swift Energy Group is involved in the provision of process control systems involving SCADA, DCS, PLC, RTU and HMI. In Malaysia, there are no major laws and regulations governing the industrial automation industry.

3 DEMAND DEPENDENCIES OF PROCESS CONTROL SYSTEMS

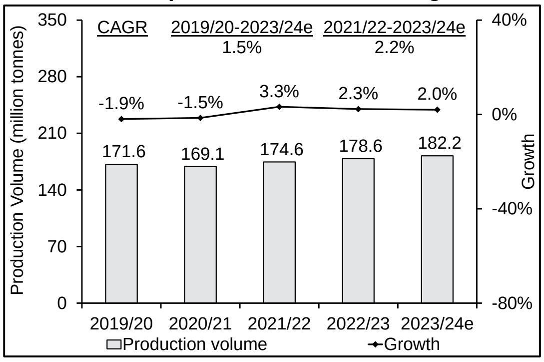
3.1 Performance of the food processing industry

- Growth in the food processing industry will increase the demand for process control systems. Swift Energy Group provides process control systems to operators within the food processing industry across several countries, with a focus on grain products, edible oils and sugar. As such, this section of the report will provide some discussion on the global perspective as well as China, which is the Swift Energy Group's main market for its process control system. Higher production volumes may result in increased processing services, which creates opportunities for providers of process control systems as operators in the food processing industry seek to improve their operations.

Global production volume of edible oils*



Global production volume of sugar



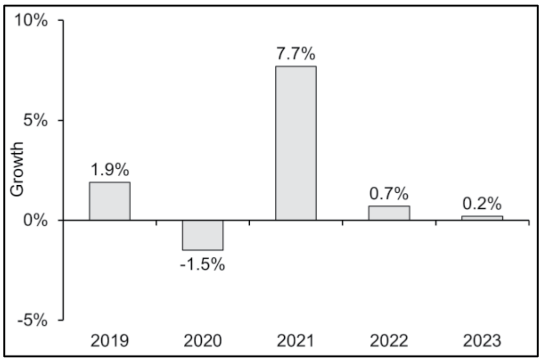
** Include oils and fats of vegetable, marine and animal origin; e = estimate.* ***Note:*** *(1) Statistics are reported based on 12-month period from October to September. (2) There is no publicly available data on the production volume of edible oils for China. (Source: Vital Factor analysis)*

- The global production volume of edible oils was grew by 3.9% in 2022/23, with an estimated growth of 1.5% in 2023/24. This corresponded with the growth in the production volume of oil crops in 2022/23 and 2023/24 *(Source: Vital Factor analysis)*.

- As for sugar, the global production volume grew by 2.3% in 2022/23, with an estimated growth of 2.0% in 2023/24, largely driven by higher sugar output in Brazil. *(Source: Vital Factor analysis)*

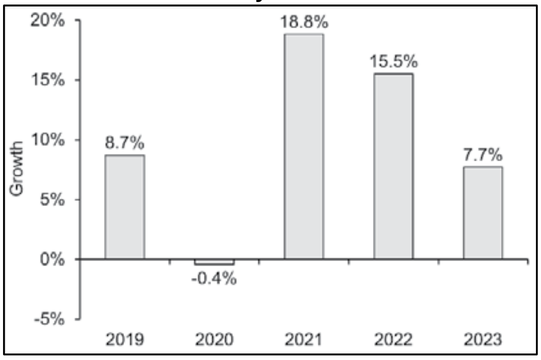
- In China, the food processing industry encompasses a wide range of activities, including grain milling, feed processing, vegetable oil and sugar production, slaughtering and meat processing, aquatic product processing, and the processing of vegetables, fruits and nuts. Process control systems are commonly used in the food processing industry. The value added to the food processing industry in China serves to indicate the industry's level of activity and performance, while investments in the sector provide growth opportunities for operators providing process control systems.

Value added of the food processing industry in China



(Source: National Bureau of Statistics (NBS), China)

Fixed asset investment in the food processing industry in China



(Source: NBS, China)

- As of the end of the third quarter of 2024, there were 26,145 enterprises operating within the food processing industry in China. This represents the potential addressable market for the provision of process control systems addressing this sector. The food processing industry in China grew marginally by 0.2% in 2023, and continued to grow by 1.4% in the first 9 months of (9M) 2024 compared to 9M 2023. *(Source: NBS, China)*

- In 2023, the fixed asset investment in China's manufacturing industry grew by 6.5%, with its food processing industry experiencing a decreasing growth of 7.7% *(Source: NBS, China)*. Nevertheless, the fixed asset investment in China's food processing industry grew by 19.4% in 9M 2024 compared to 9M 2023 *(Source: NBS, China)*. The continuous growth in investments in the food processing industry in China will provide opportunities for operators in the provision of process control systems in China.

4 THE POWER SYSTEMS INDUSTRY FOCUSING ON POWER DISTRIBUTION AND EX SOLAR PV SYSTEMS

4.1 Power distribution systems

- Power distribution systems are designed to receive external electricity, and safely distribute the electricity in a controlled manner to various internal locations and user equipment while providing protection against unwanted power surges or overcurrent. They involve power distribution panels such as switchgears, switchboards, distribution boards and motor control centres as follows:
  - **switchgears** receive power from the power grid or a local generator and distribute it to substations or other high-voltage equipment. They are designed to manage power distribution for high and medium voltage currents exceeding 1 kilovolt (kV), and are commonly used in power generation, transmission, and distribution systems, as well as large industrial facilities requiring high voltage power;
  - **switchboards** are similar to switchgears, except they manage power distribution for LV currents, typically below 1 kV, but commonly less than 600 volts. They receive electricity from an external source such as a substation attached to a power grid, and distribute the electricity at the correct power rating to various locations within a building or facility, ultimately supplying power to user machines, equipment and devices;
  - **distribution boards** receive electricity from various sources including switchboards, and further distribute it at lower voltages to specific locations or user machinery, equipment and devices within a facility or building. The voltage level of distribution boards is typically aligned with the specific requirements of the electrical loads they serve. For instance, distribution boards commonly operate at voltages of 240 volts or 120 volts powering appliances and lighting in residential and commercial settings, and voltages up to 600 volts powering machinery and equipment in industrial settings; and

- **motor control centres** are specialised control panels designed to manage and protect electric motors. They regulate current to meet the special needs of electric motors, providing individual control, protection, and starting/stopping functionality for multiple motors to ensure safe and efficient operation. They are commonly used in locations with a large number of motors such as industrial facilities and manufacturing plants.

Swift Energy Group is involved in the manufacture and supply of power distribution panels including switchboards, sub-switchboards, distribution boards and motor control centres.

- In Malaysia, the power systems industry is governed by the Electricity Regulations 1994. According to these regulations, entities engaged in electrical work must register with the Energy Commission of Malaysia as electrical contractors. Similarly, entities involved in the manufacture of switchboards are required to register as switchboard manufacturers. Swift Energy Group is registered with the Energy Commission of Malaysia as an electrical contractor and a switchboard manufacturer. As for the manufacture of Ex products in Malaysia, there are no other major laws and regulations, save for the above.

4.2 Ex power distribution and Ex solar PV systems

- Power distribution in hazardous or explosive environments necessitates the use of specialised electrical equipment designed to mitigate the risk of ignition and ensure the safety of personnel and assets. Electrical equipment designed or modified for safe use in explosive atmospheres, known as **Ex equipment**, incorporates various protection techniques to address the challenges posed by potentially hazardous or explosive environments.

- Explosive atmospheres refer to hazardous areas where flammable liquids, vapours, gases or combustible dust and fibres are likely to occur in quantities sufficient to cause a fire or explosion when an ignition source such as sparks, flames or electric arcs are unintentionally introduced. This is commonly found in many industrial and commercial settings such as offshore oil and gas (O&G) rigs, platforms and refineries, petrochemical and chemical processing plants, and pharmaceutical manufacturing plants.

- The classification of hazardous areas can facilitate the proper selection and installation of Ex equipment. Hazardous areas are commonly classified into zones based on the frequency and duration of the occurrence of an explosive atmosphere as follows:

Hazardous area classification for explosive atmospheres

Gas/vapour Atmosphere	Dust Atmosphere	Zone Characteristics
Zone 0	Zone 20	Explosive atmosphere is present continuously, for long periods or frequently.
Zone 1	Zone 21	Explosive atmosphere is likely to occur in normal operation occasionally.
Zone 2	Zone 22	Explosive atmosphere is not likely to occur in normal operation but if it does occur, will persist for a short period only.

Swift Energy Group is involved in the provision of Ex power distribution system and Ex solar PV systems that operate in Zone 1 and Zone 2.

- Within the O&G industry, **Ex switchracks** may be used on offshore platforms and drilling rigs. Ex switchracks is a type of distribution panel comprising an assembly of enclosures containing busbar, controllers, circuit breakers, motor starters, or some other electrical components, which are mounted on a freestanding metal structure that is specially fabricated to be Ex compliant. They protect against harsh environmental conditions including salt spray, dust, and extreme temperatures, while also optimising limited space. The incorporation of Ex enclosures for individual equipment also ensures compliance with strict safety requirements. Furthermore, Ex switchracks can be integrated with **Ex solar PV systems** in offshore platforms and remote environments to address challenges associated with ensuring a reliable off-grid power supply and meeting the growing demand for sustainable energy in the industry. Swift Energy Group is involved in the manufacture and supply of Ex switchracks and Ex solar PV systems for the O&G industry.

- Ex equipment for use in potentially explosive atmospheres requires certification to ensure they meet safety standards and requirements. **The International Electrotechnical Commission (IEC) system for certification to standards relating to equipment for use in explosive atmospheres (IECEx system)** is a commonly used voluntary international scheme for testing and certification of equipment, services and competence of persons operating in explosive atmospheres based on IEC standards. The IECEx certification may be used directly in certain countries or used as part of their application for market-specific Ex certifications. As of the report date, 36 countries including Malaysia are member countries under IECEx *(Source: Vital Factor analysis)*.

  Certain market-specific certification schemes may be required for equipment intended for use in potentially explosive atmospheres, depending on the regulatory requirements of a region or country. This includes, among others, the following:
  - **ATmosphères EXplosibles (ATEX)** directives for the European Union (EU);
  - **Customs Union Technical Regulations (CU TR)** certification for Russia, Kazakhstan, Belarus, Armenia and Kyrgyzstan;
  - **National Institute of Metrology, Quality and Technology (INMETRO)** certification for Brazil;
  - **KCs** certification for Korea;
  - **JPEx** certification for Japan; and
  - **China Compulsory Certification** – Explosion-proof Electrical Apparatus.

  Swift Energy Group is involved in the manufacture of Ex equipment with certification mainly IECEx and ATEX.

5 DEMAND DEPENDENCIES OF EX POWER DISTRIBUTION AND EX SOLAR PV SYSTEMS

5.1 Performance of the upstream O&G industry in Malaysia and Thailand

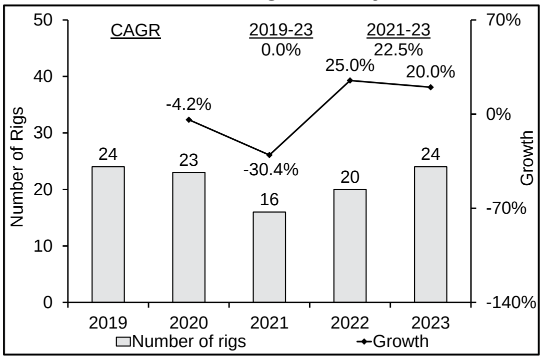
- Swift Energy Group is involved in the provision of Ex power distribution and Ex solar PV systems serving mainly operators in the upstream sector of the O&G industry in Malaysia and Thailand, which will form the focus of this section. The production volume of O&G indicates the level of activity in the industry, while investments in the upstream sector of the O&G industry present growth opportunities for providers of Ex power distribution and Ex solar PV systems such as Swift Energy Group.

Malaysia

- In Malaysia, there are approximately 300 offshore platforms as of 2023, with 8 and 5 fixed structures such as wellhead platforms and central processing platforms expected to be fabricated in 2024 and 2025 respectively *(Source: Petroliam Nasional Berhad (PETRONAS))*. This represents the potential addressable market for the provision of Ex power distribution and Ex solar PV systems.

- In the upstream sector, the number of rigs in Malaysia grew at a CAGR of 22.5% between 2021 and 2023. In 2023, the utilisation of drilling rigs was as planned, except for hydraulic workover units where the lower utilisation was contributed by the optimisation in performing planned workover as well as plug and abandonment activities *(Source: PETRONAS)*. This indicates increased drilling operations in Malaysia, which is beneficial for operators in the provision of Ex power distribution and Ex solar PV systems.

Number of rigs in Malaysia



(Source: PETRONAS)

- Between 2021 and 2023, the production volume of crude oil and condensates in Malaysia declined at an average annual rate of 0.1%. Meanwhile, the production volume of natural gas experienced a CAGR of 3.4% during the same period.

Production volume of O&G in Malaysia

	2019	2020	2021	2022	2023	CAGR ('19-'23)	CAGR ('21-'23)
Crude oil and condensates ('000 bpd)	610.1	555.8	505.4	502.5	504.2	-4.7%	-0.1%
Natural gas (*mmscfpd*)	6,647.1	6,131.3	6,532.8	6,951.7	6,979.7	1.2%	3.4%

bpd= barrel per day; mmscfpd = million standard cubic feet per day. (Sources: BNM)

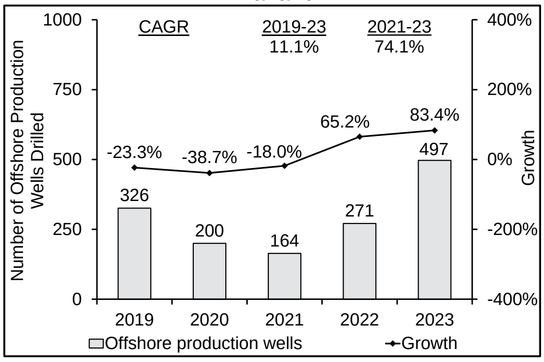
- In H1 2024, PETRONAS' capital investment in Malaysia grew by 18.1% to RM12.4 billion compared to H1 2023 *(Source: PETRONAS)*. This will present opportunities for operators involved in the provision of Ex power distribution and Ex solar PV systems in Malaysia.

Thailand

- In the upstream sector, the number of offshore production wells drilled in Thailand grew at a CAGR of 74.1% between 2021 and 2023, mainly driven by the acceleration of drilling in the Gulf of Thailand *(Source: Ministry of Energy (MOE), Thailand).*

- Between 2021 and 2023, the production volume of crude oil and condensates, and natural gas declined at an average annual rate of 12.3% and 9.0% respectively, partially attributed to factors such as maturing fields and slowing investments in the upstream sector.

Number of offshore production wells drilled in Thailand



(Source: MOE, Thailand)

Production volume of O&G in Thailand

	2019	2020	2021	2022	2023	CAGR ('19-'23)	CAGR ('21-'23)
Crude oil and condensates ('000 bpd)	228.2	201.9	177.2	143.3	136.2	-12.1%	-12.3%
Natural gas (*mmscfpd*)	3,623.0	3,261.0	3,204.0	2,648.0	2,653.0	-7.5%	-9.0%

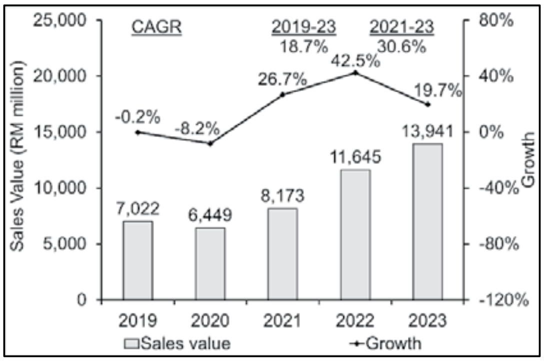
bpd= barrel per day; mmscfpd = million standard cubic feet per day. (*Source: MOE, Thailand)*

- In Thailand, the total exploration and development investments increased by 44.0% to THB81.6 billion (RM10.7 billion) in 2023 *(Source: MOE, Thailand)*. This will provide opportunities for operators involved in the provision of Ex power distribution and Ex solar PV systems in Thailand.

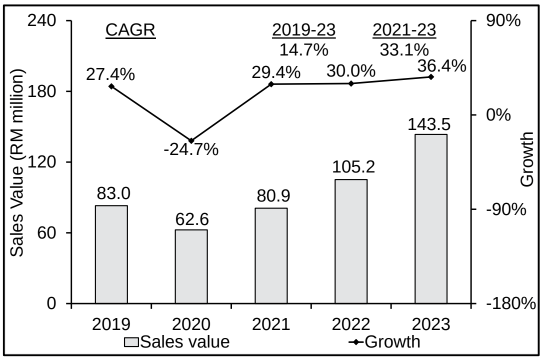
6 SUPPLY CONDITIONS

6.1 Performance of the manufacture of power distribution panels in Malaysia

Sales value* of electricity distribution and control apparatus in Malaysia



Sales value* of switchboard in Malaysia

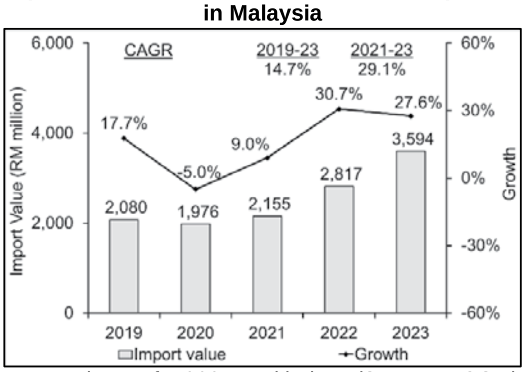


** Refers to domestic production. Switchboard is a subsegment within electricity distribution and control apparatus, and has a voltage of 1,000V and below. (Source: DOSM)*

- Swift Energy Group is involved in the manufacture of power distribution panels in Malaysia, including main switchboard panels, motor control centre panels, sub-switchboard panels and distribution boards. As such, the following section will assess the supply of power distribution panels in Malaysia, in terms of domestic production and imports.

- Power distribution panels are part of the broader electrical distribution and control apparatus segment, which comprises electrical parts, components, devices and systems used in controlling processes as well as safely distributing incoming electricity to various locations and user machinery, equipment and devices. This includes among others, fuses, circuit breakers, relays, switches, switchboard, switchgear and other panels.

Import value of switchboards and control panels* in Malaysia



For a voltage of 1,000V and below. (Source: DOSM)

- Between 2021 and 2023, the sales value of electricity distribution and control apparatus grew at a CAGR of 30.6%. Similarly, the sales value of switchboards grew at a CAGR of 33.1% during the same period. In terms of import value, switchboards and control panels experienced a CAGR of 29.1% between 2021 and 2023.

- In 9M 2024, the sales value of electricity distribution and control apparatus grew by 1.2% to RM10.5 billion, while the import value of switchboards and control panels grew by 37.9% to RM3.5 billion, compared to 9M 2023 *(Source: DOSM)*.

7 COMPETITIVE LANDSCAPE

7.1 Barriers to entry

- The barriers to entry for the industrial automation and power system industries include technical expertise and specialised skills, registrations of operators, certifications of products as well as track record.

- The number of operators within an industry serves to indicate the level of barriers to entry. As of the report date:
  - 17 members are registered under the Malaysia Automation Technology Association *(Source: Vital Factor analysis)*;
  - 7,573 electrical contractors and 217 switchboard manufacturers are registered with the Energy Commission of Malaysia. 1,269 of the electrical contractors are Class A electrical contractors who can undertake electrical works with no restrictions in value *(Source: Energy Commission of Malaysia)*; and
  - there are 53,161 IECEx equipment certificates and 3,054 IECEx component certificates in all IECEx member countries, of which 87 equipment certificates and 1 component certificate were issued to operators in Malaysia *(Source: Vital Factor analysis)*.

  As of the report date, Swift Energy Group is registered with the Energy Commission of Malaysia as a Class A electrical contractor and switchboard manufacturer, and holds 19 IECEx equipment certificates and 1 IECEx component certificate.

7.2 Operators in the industry

- As of the report date, the number of companies with IECEx certifications are as follows:
  - globally, there are 6 IECEx manufacturers, including Swift Energy Sdn Bhd, for Ex solar PV panels or modules;
  - in Malaysia, Swift Energy Sdn Bhd is the only IECEx-certified manufacturer for Ex solar PV modules, Ex switchracks, Ex battery chargers, Ex battery enclosures and Ex solar controllers.

- The following companies are selected to indicate the performance of companies with activities that compete with one or several business activities of Swift Energy Group. The criteria for selecting them are as follows:
  - involved in the provision of process control systems and/or the provision of power distribution systems, particularly manufacturers of LV power distribution panels namely switchboards, distribution boards and/or motor control centres. Note that manufacturers of MV power distribution panels are not included.
  - operations in Malaysia; and
  - availability of relatively recent financial information.

  These companies may also be involved in other activities. The list is not exhaustive.

Group/Company	PC	PD	FYE (1)	Rev (2) (RM mil)	GP (2) (RM mil)	NP/NL (2) (RM mil)	GP Margin(2)	NP/NL Margin(2)
*Fuji SMBE Brighten S/B (3)		√	Dec-23	261.3	50.6	28.3	19.4%	10.8%
*Willowglen MSC Bhd (4)	√		Dec-23	209.3	51.7	10.3	24.7%	4.9%
*Powerwell Holdings Bhd (5)		√	Mar-24	154.8	46.0	19.7	29.7%	12.7%
^Toshiba Transmission (6)	√		Mar-23	125.7	11.1	-11.7	8.9%	-9.3%
*Solution A & C Technology (7)	√		Dec-23	104.3	10.7	7.3	10.3%	7.0%
Swift Energy Group	√	√	**Sep-23**	**92.4**	**37.2**	**12.2**	**40.3%**	**13.2%**
^Leapco S/B (8)		√	Dec-23	88.4	22.2	12.6	25.1%	14.3%
^Satria Technologies S/B (9)	√		Dec-23	64.6	7.1	2.9	11.1%	4.5%
^Ener Tech Solutions S/B (10)	√		Dec-23	62.7	n.a.	1.7	n.a.	2.8%
^Bakat Industri S/B (11)	√	√	Dec-23	60.6	12.5	1.2	20.7%	2.0%
^Precision Control S/B (12)	√		Dec-23	48.2	12.2	-1.2	25.4%	-2.6%
^Elecol Switchgear S/B (13)		√	Jan-24	32.2	4.3	5.3	13.4%	16.6%
^Coppertech S/B (14)		√	Mar-24	29.8	6.6	2.9	22.0%	9.8%
^Unit Concept S/B (15)	√	√	Dec-23	29.6	5.9	0.3	19.8%	0.9%

Group/Company	PC	PD	FYE (1)	Rev (2) (RM mil)	GP (2) (RM mil)	NP/NL (2) (RM mil)	GP Margin(2)	NP/NL Margin(2)
^Canelect S/B (16)		√	Dec-23	27.8	n.a.	1.1	n.a.	4.0%
^Carpeton Industries S/B (17)	√		Dec-23	25.4	3.5	-0.1	13.7%	-0.3%
^Ree Power S/B (18)		√	Dec-23	13.8	5.8	1.9	41.8%	13.8%
Weighted average							**21.4%#**	**6.6%@**

*# (Sum of 15 companies' GP (with data) divided by the sum of their revenues) x 100%; @ (Sum of all companies' NP divided by the sum of their revenues) x 100%; PC= Provision of process control systems; PD= Provision of power distribution systems including the manufacture of LV power distribution panels * Public listed company or its subsidiary; ^ Private company; FYE= Financial Year Ended; Rev= Revenue; GP= Gross Profit; NP= Net Profit; NL= Net Loss; Bhd= Berhad; S/B= Sendirian Berhad; mil= million; n.a.= not available.*

Notes:

(1) Latest available audited financial data.
(2) At Group or company level, which may include other business activities, products or services.
(3) Involved in the manufacturing, dealing, installing and repairing of electrical switchboards, appliances and other related industries. A subsidiary of Fuji Electric Co Ltd, listed on Tokyo Stock Exchange.
(4) Involved in the research, development and supply of computer-based control systems. Listed on Bursa Malaysia Securities Berhad (Bursa Securities).
(5) Involved in the design, manufacturing and trading of electrical power distribution products and other related engineering services. Listed on Bursa Securities.
(6) Toshiba Transmission & Distribution Systems Asia S/B: Involved in the design, assembly, installation and supply of remote terminal units, power transmission and distribution equipment and components. A subsidiary of Toshiba Corporation, which was previously listed on the Tokyo Stock Exchange.
(7) Solution A & C Technology S/B: Involved in the design, research, development, supply, testing and commissioning of all kinds of industrial automation systems, as well as the provision of general mechanical and engineering services such as mechanical, electrical and instrumentation works including general civil works. A subsidiary of Solution Group Berhad, listed on Bursa Securities.
(8) Involved in the trading and installation of switchgears, design and assembly of switchboards, and the supply of LV distribution panels.
(9) Involved in the design, manufacture, assembly, installation, testing and commissioning, as well as trading of control, automation and protection systems for the power industry.
(10) Involved in the provision of electrical contracting and related services as well as system integration on industrial automation, engineering products, data communication and related activities.
(11) Involved in the mechanical and electrical system engineering, trading, servicing, installation works and control panel manufacturing.
(12) Involved in engineering and design of automation control system and supply of instrumentation of control equipment.
(13) Involved in the business of switchboard manufacturing and other related activities.
(14) Involved in the manufacture and sales of electrical parts.
(15) Involved in the provision of engineering services, fabrication, assembly and trading of all kinds of instruments, gadgets, spare parts and equipment for the oil and gas industry.
(16) Involved in the provision of electrical and civil engineering work, design, installation, testing commission, implementation and management.
(17) Specialises in electrical-related businesses.
(18) Involved in the design, installation, sales and servicing of electrical switchboards, control boards and mechanical equipment.

Appraisal of Swift Energy Group compared to the industry

- Based on the above comparative list of companies, Swift Energy Group's GP margin and NP margin are higher than the weighted average of the comparative list's GP and NP margin.

7.3 Industry size and share

	Industry Size	Swift Energy Group	
2023 - Malaysia	Sales value (RM mil)	Rev (1) (RM mil)	Market Share (2) (%)
Manufacture of electricity distribution and control apparatus	13,941	41.8	Less than 1%

mil= million; Rev= Revenue.
(1) Swift Energy Group's FYE 30 September 2023 revenue for the provision of process control systems and power distribution systems, used as a proxy for the calendar year 2023. (Source: Swift Energy Group)
(2) Swift Energy Group's revenue divided by the industry size. (Source: Swift Energy Group and Vital Factor analysis)

8 INDUSTRY OUTLOOK AND PROSPECTS

Some consideration factors impacting the outlook and prospects of the industries are as follows:

- The global trend of the Fourth Industrial Revolution (Industry 4.0), driven by the integration of digital technologies, data analytics and automation, has an impact on the growth and development of the industrial automation industry. In China, the government intends to modernise the manufacturing sector to facilitate advanced manufacturing clusters and establish a national demonstration zone as part of its industrial system reform. These are meant to uplift and enhance conventional industries to make them more environmentally friendly and intelligent. This presents opportunities for operators in the provision of process control systems in China, including Swift Energy Group.

- Continuous growth in the O&G industry will provide opportunities for operators involved in the provision of Ex power distribution and Ex solar PV systems. In Malaysia, the production of O&G is targeted to reach two million barrels of oil equivalent per day (MMboe/d) by 2025. This will be supported by various O&G projects in the pipeline including, among others, Kasawari, Jerun, Rosmari-Marjoram and Lang Lebah in Sarawak, Gumusut-Kakap Redev and Belud Clusters in Sabah, and Bekok Oil Redev, Tabu Redev and Seligi Redev in Peninsular Malaysia. Furthermore, the utilisation of rigs is expected to increase from 24 rigs in 2023 to 28 rigs in 2024, while a total of 99 wells are planned to be drilled in 2024. In addition, 8 and 5 fixed structures are planned to be fabricated in 2024 and 2025 respectively *(Source: PETRONAS)*. This will in turn stimulate the demand of Ex power distribution systems and Ex solar PV systems for upstream exploration and production facilities.

- Increasing investments in the O&G industry will also provide opportunities for operators involved in the provision of Ex power distribution and Ex solar PV systems:
  - In Malaysia, PETRONAS plans to increase its domestic capital investment allocation over the next five years by 12% to RM113 billion between 2023 and 2027 partly to fulfil their commitment to ensuring energy security *(Source: PETRONAS)*; and
  - In Thailand, the national upstream company PTT Exploration and Production Public Company Limited (PTTEP) has allocated capital expenditure of USD20.7 billion between 2024 and 2028 to increase production volume while expediting ongoing developments. In 2024, USD4.3 billion is allocated to strengthen its exploration and production business in Thailand and foreign countries including Malaysia, and support its decarbonisation and energy transition initiatives. *(Source: PTTEP)*

- The global shift towards sustainable and renewable energy sources is creating opportunities for Ex solar PV systems, particularly in industries where explosion-proof solutions are a necessity such as the O&G industry. The decarbonisation efforts and initiatives in the O&G industry will serve as a driver of growth for the demand for Ex solar PV systems:
  - In May 2023, the Government of Malaysia set out to achieve 70% renewable energy installed capacity in the power mix by 2050, and this will be supported by the National Energy Transition Roadmap which was introduced to expedite energy transition initiatives. In this regard, PETRONAS is committed to achieving net zero carbon emissions by 2050 through among others, capping operational emissions in Malaysia at 49.5 million tonnes of carbon dioxide equivalent by 2024 and achieving a 50% reduction in methane emissions from PETRONAS groupwide natural gas value chain operations by 2025, as prescribed in the PETRONAS Pathway to Net Zero Carbon Emissions 2050; and
  - In Thailand, the Ministry of Energy has outlined targets to achieve carbon neutrality by 2050 and net zero greenhouse gas emissions by 2065. Similarly, PTTEP has also established targets to reduce greenhouse gas emission intensity by a minimum of 30% by 2030 and 50% by 2040 using the base year of 2020 as a reference, and eventually achieving net zero greenhouse gas emissions by 2050. In addition, approximately USD2.0 billion is allocated between 2024 and 2028 to support investments in offshore renewables, carbon capture and storage as a service, hydrogen, the commercialisation of PTTEP's in-house technology and other related businesses. *(Source: PTTEP)*

8. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO ALL OTHER RELEVANT INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

8.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS

8.1.1 We are dependent on the performance of major user industries comprising the O&G industry, and grain products, edible oils, and food manufacturing industries

We are dependent on the performance of major user industries comprising the O&G industry, and grain products, edible oils, and food manufacturing industries by virtue of its revenue contribution to our Group. For the Financial Period Under Review, our revenue contributed by customers in the O&G industry accounted for RM24.47 million (43.61%), RM28.58 million (34.92%), RM41.32 million (44.70%) and RM36.73 million (45.10%) of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. Meanwhile, our revenue contributed by customers in the grain products, edible oils, and food manufacturing industries accounted for RM21.16 million (37.70%), RM37.91 million (46.33%), RM29.08 million (31.46%) and RM20.43 million (25.08%) of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. For the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, the combined revenue contributed from the O&G industry, and grain products, edible oils and food manufacturing industries accounted for 81.31%, 81.25%, 76.16% and 70.18% of our total revenue respectively.

Our customers in the O&G industry comprise EPCC and engineering companies which are involved in the construction or upgrading of offshore O&G platforms including the installation of our industrial automation and power systems. Meanwhile, customers in the grain products, edible oils, and food manufacturing industries are primarily manufacturing and processing plant owners and operators who would use our industrial automation and power systems for the operation of their plants.

From this perspective, the demand for our industrial automation and power systems would be adversely affected if there is a slowdown in the O&G industry and/or the grain products, edible oils, and food manufacturing industries caused by, among others, a decline in the prices of global O&G, grains and edible oils, the slowdown in the global economic growth, poor consumer sentiments including a decline in consumer expenditure on food-related products, increasing inflationary pressures, and geopolitical conflicts.

Although we serve other user industries, there is a risk that any slowdown in any one or more of our major revenue-contributing user industries, may negatively affect the demand for our products and systems which would adversely affect our business and financial performance.

For example, in FYE 2023, our revenue contributed by customers in the grain products, edible oils, and food manufacturing industries decreased by 23.29% from RM37.91 million in FYE 2022 to RM29.08 million in FYE 2023. This was mainly due to the decrease in orders from customers in China operating in the grain products, edible oils, and food manufacturing industries partly due to lower demand. This was also reflected in the lower growth of China's fixed asset investment in the food processing industry of 7.7% in 2023 compared to a growth of 18.8% and 15.5% in 2021 and 2022 respectively *(Source: IMR Report)*.

8.1.2 We are dependent on Siemens group and Emerson group as our major suppliers

(a) Dependency on Siemens group

We are dependent on Siemens group of companies as our purchases from them represented 16.84% (RM6.78 million), 18.77% (RM9.98 million), 22.63% (RM12.24 million), and 17.96% (RM7.84 million) of total purchases for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. Siemens group of companies comprises 2 subsidiaries of Siemens AG namely Siemens Malaysia Sdn Bhd in Malaysia and Siemens Ltd in China.

As at the LPD, our subsidiary, SESB, has a License Agreement with Siemens AG and Siemens Malaysia Sdn Bhd ("**Siemens group**") which is valid for 5 years, commencing from 9 January 2023. The License Agreement authorises SESB to fabricate and sell the SIVACON S8 LV switchboard range of products including switchboards and MCC panels based on Siemens' specifications and designs. As such, SESB is required to purchase circuit breakers, busbar support and special profile busbar from Siemens group for the fabrication and assembly of the SIVACON S8 LV switchboard and MCC panels.

Additionally, as at the LPD, our subsidiary, PMAS is certified Siemens System Integrator for Siemens' products under the factory automation, process automation and digital connectivity and power categories. As at the LPD, the certificate is valid till 30 September 2025, and renewable yearly. As such, PMAS purchases Siemens' SIMATIC controllers including SCADA, DCS, PLC, RTU, and other related products and accessories for the provision of process control systems, as well as for distribution to customers seeking the said Siemens' products.

As a licensed manufacturer of SIVACON S8 LV switchboards, Siemens group reserves the right to conduct a yearly audit of our fabrication operations and facilities to ensure that we comply with the operating and fabrication standards and procedures determined by Siemens group. If we fail the audit or breach the terms of our agreement with Siemens group, including our annual target, we may not be able to maintain our agreement to manufacture Siemens group's LV switchboards or to distribute or provide services for Siemens products and/or systems.

Additionally, as a licensed manufacturer of Siemens SIVACON S8 LV switchboard range of products, among others, we have to meet our annual target. The minimum number of units of SIVACON S8 LV switchboard range of products stipulated by the License Agreement to be purchased by SESB is as follows:

FYE	Number of SIVACON S8 LV switchboard range of products (units/panels)
2023	200
2024	350
2025	300
2026	350
2027	400

For the FYE 2023 and FYE 2024, we were able to meet our target with the purchase of 260 units and 355 units of SIVACON S8 LV switchboard range of products respectively.

Although we have been Siemens group's partner and have been buying materials from them for approximately 13 years, as at the LPD, there is no assurance we will be able to continue to maintain this business relationship and renew our License Agreement and certification upon their expiry. If we are unable to meet our obligations, there is a risk that we would lose our License Agreement and certification. Any termination or non-renewal of any agreements or certification with Siemens group upon expiration would affect our business operations and financial performance. The termination or non-renewal of the Licensed Agreement and certification would affect our ability to secure prospective projects with Siemens' specifications, which may adversely affect our business operations and financial performance. As a certified Siemens System Integrator for Siemens' products, in the event we lose our certification, we may have to procure Siemens' parts and components from other distributors to fulfil our customers' orders for the provision of process control system, and this may adversely affect our profitability and financial performance.

(b) Dependency on Emerson group

We are dependent on Emerson group as our purchases from them represented 17.20% (RM6.93 million), 11.70% (RM6.22 million), 3.42% (RM1.85 million) and 6.02% (RM2.63 million) of our total purchases in FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. Emerson group consists of 2 subsidiaries of Emerson Electric Co. namely Emerson Automation Solutions Intelligent Platforms (Shanghai) Co., Ltd ("**Emerson China**") and Emerson Automation Solutions Intelligent Platforms Asia Pacific Pte Ltd ("**Emerson Singapore**").

As at the LPD, our subsidiaries, ALR and Chongqing Swift China, are Authorised Distributors of Emerson Singapore and Emerson China for the Malaysia and the China markets respectively. The agreement between ALR and Emerson Singapore is valid for 1 year, commencing from 1 October 2024 to 30 September 2025, while the agreement between Chongqing Swift China and Emerson China is valid for 2 years, commencing from 1 October 2024 to 30 September 2026. As such, we are reliant on Emerson group for the direct supply of certain products and software under our respective distributorship agreements with Emerson group.

Although we have been Emerson group's partner and have been buying materials from Emerson China and Emerson Singapore for approximately 5 years and 4 years respectively, as at the LPD, there is no assurance we will be able to continue to maintain this business relationship and renew both agreements upon their expiry. If we are unable to meet our obligations under the distributorship agreements, there is a risk that we could lose our distributorship agreements. Any termination or non-renewal of any agreements with Emerson group upon their expiration would affect our business operations and financial performance. The termination or non-renewal of the respective agreements would affect our ability to secure prospective projects with Emerson group's specifications, which may adversely affect our business operations and financial performance.

8.1.3 Absence of long-term contractual agreements with our customers

Generally, we do not have any long-term contracts or purchase agreements with our customers, except for our contract secured from Customer A which is valid for 5 years from December 2021 to December 2026, as well as 2 maintenance contracts which are valid for 3 years. Most of our business operations are based on purchase orders issued by our customers which are generally short-term in nature ranging between 3 months to 6 months. Hence, the financial performance of our Group would be dependent on the ability of our Group to continually secure new purchase orders or contracts. Failure to secure new purchase orders that are sizeable, timely and on a sustainable basis may have a material adverse financial impact on our Group.

8.1.4 We are subject to regulatory requirements and product certifications for our business operations

Our business operations are subject to various laws, rules, regulations and product certifications which we are required to ensure their continuing compliance. Please refer to Appendix I of this Prospectus for the list of our major licences, permits, and approvals and, Section 6.1.2(a) for product certifications for ATEX and IECEx.

In the event of non-compliance, these licences, permits and approvals may be revoked or may not be renewed upon expiry.

Save as disclosed in Section 6.5.20 of this Prospectus, our Group has complied with the conditions imposed on all our major approvals, licences and permits from various government authorities, and certifications from Notified Body for ATEX, and IECEx Certification Body for IECEx certifications, all of which are accredited independent organisations.

In particular, we are required to obtain and maintain the relevant Petronas licences for the products and services that we provide to customers within the O&G industry in Malaysia. Although we have obtained the required Petronas licences and have been approved for all the relevant SWEC required for our business operations, we are subjected to continuous review under Petronas' conditions, general guidelines and minimum technical requirements, which are subject to change from time to time. For the Financial Period Under Review, our revenue contributed by project secured from customers in the O&G industry in Malaysia which requires Petronas license accounted for RM12.79 million (22.80%), RM10.27 million (12.55%), RM20.44 million (22.12%) and RM18.53 million (22.03%) of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively.

There is a risk that our Petronas licences may be suspended, revoked or not renewed if we fail to fulfil any conditions or general guidelines set by Petronas or if we fail to meet our SWEC requirements. If we do not maintain valid Petronas licences, we may not be able to continue to carry out work and/or will not be able to bid for new contracts from the Petronas group of companies and other operators and service providers in the O&G industry in Malaysia, which will adversely affect our business operations and financial performance.

Further, the relevant Government authority may take action by issuing warnings, imposing penalties, suspending the licences, permits, registrations or approvals, reducing the tenure, imposing additional conditions or restrictions and/or revoking the licences, permits, registrations or approvals, against us for any breach or non-compliance, which may materially and adversely affect our business operations and financial performance.

In addition, we may be required to comply with further and/or stricter requirements and conditions if there are changes to applicable laws, regulations or policies in Malaysia, China, Singapore and Thailand where we have operations. This may affect our business operations and financial performance if we are unable to comply with the new laws, requirements or conditions.

Additionally, some of our products, in particular our Ex-products, are certified to be used in hazardous or potentially explosive locations. For the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, revenue contribution from the provision of Ex systems (Ex solar PV, Ex power distribution and other systems) amounted to RM11.59 million (20.66%), RM15.23 million (18.61%), RM36.04 million (39.00%) and RM30.49 million (37.44%) of total revenue for FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively.

As at the LPD, SESB holds 19 IECEx equipment certifications including for Ex solar PV modules, Ex switchracks, Ex distribution boards, Ex battery chargers, Ex solar controllers, Ex battery boxes, Ex junction boxes and Ex control panels, and 1 IECEx component certification for empty enclosures.

While IECEx certification is not mandatory globally, certain countries or regions may have regulations requiring specific certifications for equipment used in hazardous environments. IECEx certification is accepted by operators in Malaysia, Singapore and Thailand, which are the markets that we are serving for our Ex products. In such cases, IECEx certification may be accepted as equivalent to fulfilling those local requirements. In addition, certain customers or end-users may specifically require IECEx certification for the equipment or systems they purchase to ensure certain standards are met. Meanwhile, ATEX certification is a mandatory certification for countries in the European Union.

Although IECEx does not have an expiry date and is valid for the lifetime of a product, we are required to keep our IECEx certification current by undergoing successful audits of our fabrication facility by an authorised IECEx certification body every 12 to 18 months. These audits verify that our quality management systems remain compliant, and our Ex-products continue to meet the relevant IECEx standards. Additionally, the IECEx certification is required to be updated and reassessed if there are any changes made to the design of the certified product including parts, ratings or drawings, or changes to the IECEx standards. For the Financial Period Under Review, we successfully passed all the audits conducted on our fabrication facility. As such, we are able to keep our IECEx certification current. However, moving forward, there is no assurance that we can successfully fulfil the audit, comply with new standards for existing Ex products or be able to secure the relevant certifications for new or enhanced products which may affect our business operations and financial performance.

Similarly, we are also required to keep our ATEX certifications current, and the renewal process is also similar to IECEx certifications.

Up to the LPD, we have not experienced any difficulty in renewing our licences, permits, approvals and certifications. However, there is no assurance that the relevant authorities will renew the same within the anticipated timeframe or at all, and without imposing any additional terms and conditions in the future, particularly when there are changes to any requirements, rules and regulations imposed by the relevant authorities.

8.1.5 We are subject to foreign exchange fluctuation risks which may impact the profitability of our Group

We are exposed to foreign exchange fluctuation risks as part of our revenue and purchases are transacted in foreign currencies as indicated below:

	FYE 2021		**FYE 2022**		**FYE 2023**		**FPE 2024**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Revenue								
- RM	28,939	51.57	28,080	34.31	39,965	43.24	38,476	47.24
- USD	7,982	14.22	22,154	27.07	23,644	25.58	20,147	24.74
- SGD	8,365	14.91	13,581	16.59	13,504	14.61	13,502	16.58
- RMB	9,945	17.72	14,698	17.96	10,937	11.83	8,236	10.11
- Others(1)	884	1.58	3,330	4.07	4,376	4.74	1,085	1.33
Total	**56,115**	**100.00**	**81,843**	**100.00**	**92,426**	**100.00**	**81,446**	**100.00**

	FYE 2021		FYE 2022		FYE 2023		FPE 2024	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Purchases								
- RM	14,697	36.50	26,820	50.43	28,968	53.16	28,509	65.29
- SGD	4,076	10.12	4,868	9.15	7,177	13.17	2,793	6.40
- USD	8,284	20.58	11,229	21.11	4,917	9.02	5,262	12.05
- RMB	9,720	24.14	4,398	8.27	4,801	8.81	2,080	4.76
- EUR	1,173	2.91	3,332	6.27	4,120	7.56	3,463	7.93
- GBP	2,175	5.40	1,785	3.36	3,929	7.21	1,060	2.43
- Others[(1)]	138	0.34	750	1.41	580	1.07	500	1.14
Total	**40,263**	**100.00**	**53,182**	**100.00**	**54,492**	**100.00**	**43,667**	**100.00**

Notes:

(1) Others comprise EUR, New Taiwan Dollar, THB, and AUD.

(2) Others comprise New Taiwan Dollar, THB, and AUD.

A depreciation of the RM against the currencies in which we transact will lead to higher costs of purchases as well as higher revenue in RM after conversion. Conversely, an appreciation of the RM against the currencies in which we transact will lead to a lower cost of purchases but lower revenue in RM after conversion.

We maintain bank accounts mainly in RM, USD, EUR, RMB, SGD, and GBP, such that collections can be used to settle payments of the same currency where possible. To a certain extent, this provides a natural hedge against fluctuations in the foreign exchange. As at the LPD, we have foreign currency forward hedging facilities amounting to RM8.00 million.

For the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, we recorded net foreign exchange loss of RM0.21 million, RM0.06 million, RM0.26 million and RM0.16 million, respectively.

There can be no assurance that any future fluctuations in exchange rates will not have a material and adverse effect on our financial conditions and our profitability. In addition, there can be no assurance that other foreign exchange administrative rules imposed or varied by any relevant authority from time to time will not materially affect our business, results of operations and financial conditions.

8.1.6 We are dependent on our Executive Directors and key senior management for the continuing success of our Group

Our achievements are largely attributed to the continued efforts of our Executive Directors and key senior management who are directly responsible for the vision, strategic direction, leadership, planning, development, as well as management and operations of our Group's business. Our Executive Director cum Chief Executive Officer, Tan Bin Chee is responsible for formulating strategic direction and overseeing our Group's overall strategic planning and growth of business. He is supported by our Executive Director cum Chief Operating Officer, Chin Saw Yong, who is responsible for overseeing our Group's overall day-to-day operations as well as the business and market development.

We are also dependent on our key senior management team for their experience and technical knowledge in their respective areas of expertise and responsibilities. Our key senior management team consist of our Financial Controller, Ting Yi En and our Corporate Affairs

Director namely, Suzana Binti Abu Bakar. The loss of services from any of our Executive Directors and/or key senior management, and our subsequent inability to recruit suitable replacement personnel promptly, may adversely affect our business operations and financial performance as well as our continuing ability to compete effectively in the industry. Please refer to Section 5.1.2 and Section 5.3.1 of this Prospectus for the profiles of our Executive Directors and key senior management.

There is no assurance that we will be able to retain the services of our Executive Directors and key senior management or assure that their replacements would be make similar or increased contributions to our operations. In view of this, the loss of one or more of these key personnel may hinder the continued success of our business operations as well as our financial conditions.

8.1.7 Our growth prospects may be limited if we are unable to effectively execute some of our business strategies and plans

Our business strategies and plans include expanding our fabrication facility in Malaysia, expansion of operations in Indonesia, purchasing machinery, equipment and software as well as setting up an R&D centre to develop and enhance our Ex electrical products. Please refer to Section 6.6 of this Prospectus for further details on our business strategies.

The implementation of these business strategies and plans involves capital expenditure as well as operating expenses. The feasibility and implementation of these business strategies and plans will also depend on, among others, economic and regulatory conditions, customer demand for our products and services, especially from new or relatively new foreign markets, availability of human resources and experienced personnel, the inability to secure sufficient funding and/or bank borrowings and timing of execution.

The prospects and future growth of our business are dependent on our ability to implement and execute our strategies and plans effectively and promptly. There is a risk that we may not be able to successfully implement our business strategies and plans promptly nor can we provide assurance that our business strategies will be commercially successful or that we will be able to anticipate all the business and operational risks associated with our strategies.

Risks associated with expanding our fabrication facility in Malaysia include delays in construction and obtaining relevant approvals and permits from authorities, and unanticipated increase in cost of construction of the facility. Risks associated with expansion of operations to Indonesia include potential delays in incorporation of an entity for our operations, renting appropriate office premises, recruiting sales and technical personnel, and increase in overall cost of establishing operations in Indonesia. The risks associated with enhancing our Ex electrical products include an increase in costs for purchasing relevant R&D equipment, an extended timeline required to complete our R&D process ready for commercialisation and potential poor market acceptance of our enhanced Ex products.

Further, we may also face the risk of unanticipated increases in the investment cost particularly for the expansion of our fabrication facility in Malaysia as it will be partially funded through bank borrowings. In the event we are unable to secure sufficient bank borrowings and/or external funding, we may have to utilise our internal funds which may affect our cash flow performance. In addition, the execution of our business strategies and plans is subject to additional operational expenditures including staff costs, sales and marketing expenses, and other working capital requirements. Such additional expenditures will increase our Group's operational cost which may adversely affect our profit margin if we are unable to gain sufficient revenue by securing more sales or projects with our existing or new customers.

In the event of any delays or failures in executing our business strategies or plans effectively and promptly, our future business growth or expected financial prospects may be adversely affected.

8.1.8 We are dependent on our team of engineers for the design and programming, as well as the provision of technical services

As specialists in industrial automation and power systems, we have a dedicated team of engineers who handle system design and programming, mechanical and electrical design, as well as provision of technical services. This includes maintenance services, upgrading and replacement services, site installation supervision, testing and commissioning works, troubleshooting and rectification works. Our business operations rely heavily on the expertise, skills, and technical knowledge of these engineers. As at the LPD, we have 49 engineers from system engineering, proposal/project, sales and support, quality assurance/control and production departments. These engineers hold a degree in their respective fields of engineering.

Any shortages in the supply of engineers, the inability of our Group to train and retain current engineers, or the inability to replace the loss in engineers, could adversely affect the quality standards and timely delivery of our projects. This in turn may adversely affect our reputation, business operations and financial performance.

8.1.9 We are subject to operational risks which may cause interruptions to our business operations

We currently only have 1 fabrication facility in Malaysia. Therefore, any significant operational disruptions at our fabrication facility would have a material impact on our business operations and financial performance. We face the risks of our fabrication facility being compromised or operational failures caused by accidents (such as fire and mechanical breakdowns), natural disasters, wilful damage, sabotage or theft. Any interruptions in, or prolonged suspension of any part of our operations, or any damage to or destruction of, our fabrication facilities arising from unexpected or catastrophic events may prevent us from carrying out our operations promptly and thus, affecting the delivery of our products or systems to our customers within the agreed delivery schedule.

Furthermore, any prolonged interruptions to our production or inability to meet customer orders for our goods and services could lead to a breach of the purchase orders or contracts, and the possibility of a late delivery penalty, which would incur significant expenses and harm our reputation.

In addition, we face the risks of any prolonged epidemics or pandemics that may affect our business operations. Among others, these risks may include the temporary shutdown of operations, inability to operate at full capacity, insufficient workers for our factory floor, material supply interruptions, logistics issues and delays and/or cancellations of orders for our products, systems and services. All of these may negatively affect our business and financial performance.

During the Financial Period Under Review and up to the LPD, save for the temporary suspension of operations at our facility in Malaysia during the COVID-19 pandemic, we have not experienced any incidents of prolonged operational interruptions which materially affected our financial performance.

For our Malaysia operations, the outbreak of COVID-19 pandemic had affected our business operations. Between March 2020 and 2021, there were several MCO measures implemented including full and partial lockdown containment measures and restrictions imposed. Our business was impacted due to the containment measures during the MCO period between 18 March 2020 and 4 May 2020 as well as various phases of the NRP which commenced on 1 June 2021, where our business operations in Malaysia were either temporarily suspended or were operating below full capacity.

For our China operations, our business operations were minimally impacted between January 2020 until early November 2022 when the government of China implemented lockdown measures in Yubei district in Chongqing where our subsidiary, Chongqing Swift China, is operating. In November 2022, due to rising COVID-19 cases in Yubei district in Chongqing, the government of China closed schools and barred residents from leaving selected apartment compounds for approximately 1 month. During this period, our business operations in Chongqing were temporarily interrupted as our employees had to work from home and we were unable to access the customer's site.

On the other hand, our business operations in Singapore and Thailand were minimally impacted during the implementation of restrictions by the respective governments in 2020 and 2021. During these periods, our sales and marketing, and administrative staff in Bangkok and Singapore worked from home, when required, and there was minimal disruption to these functions.

The implementation of the movement restrictions and measures due to the COVID-19 pandemic in Malaysia, China, Singapore and Thailand as well as in other countries where our customers operate caused a temporary suspension of our operations as well as disrupted the economic activities in the said countries. Prolonged disruption in economic activities will adversely impact businesses, employment and consumer purchasing power. Nonetheless, during the Financial Period Under Review, we have not experienced any cancellation of orders or any indication of cancellation of orders from our customers arising from the COVID-19 pandemic.

Nonetheless, there is no assurance that we can prevent the occurrence of such incidents or that such incidents will not cause any disruptions to our fabrication facility and delivery schedule in the future. Any material cancellation of orders or reduction in the demand for our products and systems will adversely impact our financial performance. Please refer to Section 6.5.21 of this Prospectus for further details on the impact of COVID-19 pandemic on our Group.

8.1.10 We are subject to the risk of defect liability and product warranty claims

The quality of our products and systems is crucial to the success of our business. We are subject to the risk of defect liability claims if our systems fail to operate and achieve agreed specifications and performance. In addition, we are subject to the risk of product warranty claims in the event our products are found to be defective or non-performing.

For our process control, power distribution, Ex solar PV and other systems, we are subject to a defect liability period of up to 12 months from the acceptance of our systems. In the event of any justifiable claims during the defect liability period, we are responsible for making good any defects or faults in the system. For products and components used in these systems, for example, process controllers, circuit breakers, terminal blocks and relays, they are covered against fabrication defects by their respective product warranties and as a result, the manufacturers or suppliers are responsible for providing suitable replacements. However, we are responsible for the cost of replacing the products and components, which typically includes costs of labour, transportation and consumables. If we are unable to claim from the manufacturers/suppliers due to our negligence or the amounts of the claim cannot be recovered in full or at all from the manufacturers/suppliers, we may be required to bear some or all the costs of the claims.

Similarly, industrial electrical products that are distributed and sold to customers in their original form are also subjected to product warranty claims, which are covered by product warranties provided by the respective manufacturers or suppliers.

In addition to the exposure of defect liability and product warranty claims, major failures or malfunctions in our systems and products may damage our reputation in the industry and erode our customers' confidence in our systems and products. This, in turn, may materially and adversely affect our business operation and financial performance.

During the Financial Period Under Review and up to the LPD, we have not experienced any defect liability or warranty claims which have materially affected our financial performance.

8.1.11 We face the risk of infringing on the intellectual property of third parties

Typically, manufacturers and fabricators of O&G products and systems including our Group must adhere to various industry and safety standards, for example, IECEx or ATEX standards for explosive-rated products. Adhering to these standards without violating any underlying intellectual property rights is crucial. As a result, there is a risk that our Group, could inadvertently infringe on patented products while striving to comply with these standards. Potential areas of infringement include the physical design or appearance of the product which is protected by design patents, or the functional aspect and technical innovations which is protected by technology/utility patents.

In this respect, our Group may face the risk of infringing upon the intellectual property rights of third parties and may be held responsible for such infringements. As at the LPD, we have not been the subject of any intellectual property claims. However, any future litigation regarding patents or other intellectual property infringements could be costly, time-consuming and use significant human resources. If our Group loses a claim, we may suffer significant liabilities, and litigation costs or be prevented from selling our products if the products infringe upon the intellectual property of third parties.

8.1.12 There is no assurance that our insurance coverage will be adequate

Carrying out our business operations at our operational facilities and customers' and user's premises involves risks and hazards including, but not limited to, workplace and other accidents. Our operational premises and facilities may be subjected to fire, flood and other natural disasters, as well as accidents that may render our facilities, machinery and equipment to be damaged. We also face risks associated with our field service technicians having to travel and work at our customer or user premises.

To protect against losses and liabilities arising from these risks and hazards, we maintain general insurance coverage for our business operations as a whole, as well as specific insurance coverage for some of our contracts at levels that are stipulated in such contracts or at levels that we believe are customary to the nature of our business. We maintain insurance policies covering, amongst others, comprehensive general liability, workmen's compensation, and public liability, where required by law or by contract or on our own accord. Notwithstanding our insurance coverage, our financial performance may be adversely affected if we suffer losses or liabilities from events that are not covered by our insurance policies, or if the losses or liabilities incurred exceed our insurance claim limits.

All of our insurance policies must be renewed periodically and may be subject to changes in the insurance premium, terms and/or claim limits. If there is a significant increase in the premium on any insurance policy, we may incur higher costs to maintain our insurance coverage at the same level or we will have to reduce the level of our insurance coverage. There is also a risk that we are unable to renew or replace our insurance policies when they expire.

During the Financial Period Under Review, we did not incur any material losses or liabilities that were claimable or not claimable against our insurance policies.

Although we have taken the necessary steps to ensure that our workers and assets are adequately insured, there can be no assurance that our insurance coverage would be adequate to compensate for the replacement costs of the assets or any consequential losses arising thereof, or claims against the loss of life or injuries to workers.

8.2 RISKS RELATING TO OUR INDUSTRY

8.2.1 We are subject to risks inherent in the O&G industry in Malaysia and Thailand

Our business operations are subject to risks that are inherent in the O&G industry in Malaysia and Thailand. For the Financial Period Under Review, our revenue contributed by customers in the O&G industry in Malaysia (based on customer's invoice address) accounted for RM20.88 million (37.20%), RM17.44 million (21.31%), RM26.28 million (28.43%) and RM21.71 million (26.65%) of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. For the Financial Period Under Review, our revenue contributed by customers in the O&G industry in Thailand (based on customer's invoice address) accounted for RM0.91 million (1.61%), RM5.69 million (6.95%), RM13.65 million (14.77%) and RM14.03 million (17.23 %) of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively.

These risks include, among others, changes in Government policies and regulations relating to the O&G industry in Malaysia, global O&G price fluctuations, slowdown in the global economic growth, geopolitical conflicts, depletion of resources, maturing resources and energy transition.

In Malaysia, Petronas may liberalise the regulation of the O&G industry by making fundamental changes such as, among others:

- removing or easing licensing and registration requirements for the provision of supporting products and services;
- making it easier to obtain a licence or registration; and
- allowing foreign suppliers to operate in Malaysia directly, such as by allowing them to operate independently without a local partner and reducing other restrictions on their operations.

The entry of new operators into the O&G industry, including foreign-based operators may increase the level of competition for local operators, which may adversely affect our financial performance and business operations.

Alternatively, Petronas might tighten or change conditions or regulations that may affect the licensing and/or registration requirements of existing operators.

For Thailand, while there is no direct licensing and registration requirements for the provision of supporting products and services to the O&G industry in Thailand, however having local content is encouraged.

Crude oil and natural gas are internationally traded commodities where prices fluctuate due to changes in global economic conditions and outlook, geopolitical factors, unexpected supply disruptions, demand conditions, and other factors. A sustained low crude oil or natural gas prices may result to delay or even cancellation of planned exploration projects and infrastructure upgrades. As such, this would negatively affect operators like us that are providing systems and equipment to the upstream O&G sector.

As such, there is no certainty that our financial performance or prospects of our business would not be materially affected by the inherent risks relating to the O&G industry in Malaysia and Thailand.

8.2.2 We are subject to economic, social, political and regulatory risks in the countries which we operate including Malaysia, China, Singapore and Thailand, as well as other foreign countries where we may set up operations

Any adverse changes in the political, social, economic and regulatory conditions in Malaysia, China, Singapore, Thailand and other foreign countries where we may set up operations may harm our business operations and financial performance.

Such developments include but are not limited to, changes in the political, social, economic and regulatory conditions which could arise from, among others, changes in political leadership, geopolitical events, general economic and business conditions, fluctuations in foreign exchange and interest rates, acts of terrorism, riots, wars, sanctions, emergence of epidemics or pandemics, expropriation or nationalisation, fiscal and monetary policies such as inflation, deflation, and tax policies, repatriation of profits, foreign worker levy and exchange control measures, unemployment trends, changes in international bilateral relationships, and other matters that may influence business confidence and spending. In addition, any regulatory changes to the O&G industry in the countries we operate may also affect our business and financial performance.

Increasing volatility in the financial markets may also cause these factors to change with a greater degree of frequency and magnitude. In addition, geopolitical tension and conflicts, trade conflicts and sanctions, and imposition of tariffs or duties may also impact directly or indirectly on our business. As such, there can be no assurance that any adverse economic, social, political, and regulatory developments which are beyond our control, will not materially affect our business operations and financial performance.

8.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES

8.3.1 There is no prior market for our Shares

Prior to our Listing, there has been no public market for our Shares. The listing of our Shares on the ACE Market of Bursa Securities does not guarantee that an active market for our Shares will develop. There is also no assurance that our IPO Price will correspond to the price at which our Shares will be traded on the ACE Market of Bursa Securities.

8.3.2 Our Listing is exposed to the risk that it may be aborted or delayed

Our Listing may be aborted or delayed should any of the following occurs:

(a) the selected investors fail to subscribe for their portion of our IPO Shares;

(b) our Underwriter exercising its rights under the Underwriting Agreement to discharge itself from its obligations therein; and

(c) we are unable to meet the public shareholding spread requirement set by Bursa Securities, whereby at least 25.00% of our total number of Shares for which listing is sought must be held by at least 200 public shareholders each holding not less than 100 Shares upon the completion of our IPO and at the point of our Listing.

If any of these events occur, investors will not receive any our IPO Shares and we will return in full without interest, all monies paid in respect of any Application within 14 days, failing which the provisions of subsection 243(2) of the CMSA will apply accordingly.

If our Listing is aborted and/or terminated, and our IPO Shares have been allotted to the investors, a return of monies to the investors in respect of IPO Shares could only be achieved by way of cancellation of share capital as provided under Sections 116 or 117 of the Act. Such cancellation requires the approval of shareholders by special resolution in a general meeting, with sanction of High Court of Malaya or with notice to be sent to the Director General of the Inland Revenue Board and ROC within 7 days of the date of the special resolution and us meeting the solvency requirements under Section 117 of the Act. There can be no assurance that such monies paid in respect of our IPO Shares can be recovered in a timely manner.

8.3.3 The trading price and trading volume of our Shares following our Listing may be volatile

The trading price and volume of our Shares may fluctuate due to various factors, some of which are not within our control and may be unrelated or disproportionate to our financial results. These factors may include variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of Bursa Securities is also affected by external factors such as the performance of the regional and world bourses, inflow or outflow of foreign funds, economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our Shares.

8.4 OTHER RISKS

8.4.1 Our Promoters can exercise significant control over our Company

Upon listing, our Promoters will collectively hold approximately 70.10% of our enlarged share capital. As a result, they will be able to, in the foreseeable future, effectively control the business direction and management of our Group as well as influence the outcome of certain matters requiring the voting of our shareholders, unless our Promoters are required to abstain from voting by law and/or as required by the relevant guidelines or regulations.

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9. RELATED PARTY TRANSACTIONS

9.1 MATERIAL RELATED PARTY TRANSACTIONS

Save for the Acquisition of SASB, Acquisition of SESB, the inter-company sale and purchase transactions in the ordinary course of business by/from SEOG (which Suzana Binti Abu Bakar is the director and shareholder in SEOG) with our Group's other subsidiaries and as disclosed below, there were no transactions, existing and/or potential, entered or to be entered into by our Group which involve the interests, direct or indirect, of our Directors, substantial shareholders and/or persons connected with them which are material to our Group during the Financial Period Under Review and up to the LPD:

						Transaction value									
						FYE 2021		FYE 2022		FYE 2023		FPE 2024		1 July 2024 up to the LPD	
No.	Related party	Interested person	Transacting company in our Group	Nature of relationships	Nature of transaction	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
1.	Fortress Code[5]	Tan Bin Chee	SESB, SSMSC and PMAS	Tan Beng Keong is the brother of Tan Bin Chee. He was the director and shareholder of Fortress Code.[6] Tan Bin Chee is our Executive Director cum Chief Executive Officer, Promoter and substantial shareholder.	Provision of IT support by Fortress Code to SESB, SSMSC and PMAS	15	[1]0.41	-	-	-	-	-	-	-	-
2.	Fortress Code[5]	Tan Bin Chee	PMAS		Provision of process control systems from PMAS to Fortress Code[7]	2,998	[2]5.34	2,124	[2]2.60	164	[2]0.18	-	-	-	-

9. RELATED PARTY TRANSACTIONS *(Cont'd)*

						Transaction value									
			Transacting			FYE 2021		FYE 2022		FYE 2023		FPE 2024		1 July 2024 up to the LPD	
No.	**Related party**	**Interested person**	**company in our Group**	**Nature of relationships**	**Nature of transaction**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
3.	Fortress Code[5]	Tan Bin Chee	PMAS	Tan Beng Keong is the brother of Tan Bin Chee. He was the director and shareholder of Fortress Code.[6]	Purchase of software by PMAS from Fortress Code	-	-	180	[3]0.42	-	-	-	-	-	-
4.	Fortress Code[5]	Tan Bin Chee	SSMSC		Purchase of IT spare parts by SSMSC from Fortress Code	-	-	3	[1]0.03	-	-	-	-	-	-
5.	Fortress Code[5]	Tan Bin Chee	SSMSC	Tan Bin Chee is our Executive Director cum Chief Executive Officer, Promoter and substantial shareholder.	Provision of IT solution by Fortress Code to SSMSC for the establishment of new contact centre	-	-	-	-	180	[1]1.47	-	-	-	-
6.	Tan Bin Chee and Pang Suk Thing	Tan Bin Chee	ALR	Pang Suk Thing is the spouse of Tan Bin Chee. Tan Bin Chee is our Executive Director cum Chief Executive Officer, Promoter and substantial shareholder.	Rental payment by ALR to Tan Bin Chee and Pang Suk Thing[8] This transaction is recurrent in nature and will subsist after our Listing.	-	-	58	[1]0.70	77	[1]0.63	58	[1]0.49	32	[4]N/A

9. RELATED PARTY TRANSACTIONS *(Cont'd)*

						Transaction value									
						FYE 2021		FYE 2022		FYE 2023		FPE 2024		1 July 2024 up to the LPD	
No.	Related party	Interested person	Transacting company in our Group	Nature of relationships	Nature of transaction	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
7.	Toy Kek Bee	Lok Wei Seng	SASB	Toy Kek Bee is the spouse of Lok Wei Seng. Lok Wei Seng is the director of SASB.	Rental payment by SASB to Toy Kek Bee[9] This transaction is recurrent in nature and will subsist after our Listing.	40	[1]1.08	40	[1]0.48	46	[1]0.37	34	[1]0.29	19	[4]N/A

9. RELATED PARTY TRANSACTIONS *(Cont'd)*

						Transaction value									
						FYE 2021		FYE 2022		FYE 2023		FPE 2024		1 July 2024 up to the LPD	
No.	Related party	Interested person	Transacting company in our Group	Nature of relationships	Nature of transaction	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
8.	Suzana Binti Abu Bakar and Jamal Bin Sawi	Suzana Binti Abu Bakar and Jamal Bin Sawi	SESB	Suzana Binti Abu Bakar is our Group's Corporate Affairs Director, Promoter and substantial shareholder. She is also the director of SESB and SEOG. She was also the shareholder of SESB.[(11)] Jamal Bin Sawi was the director of SESB and SEOG. He was also the shareholder of SESB.[(12)]	Disposal of SEOG by SESB to Suzana Binti Abu Bakar and Jamal Bin Sawi.[(10)]	255	[(3)]0.66	-	-	-	-	-	-	-	-

9. RELATED PARTY TRANSACTIONS *(Cont'd)*

Notes:

N/A Not applicable

(1) Calculated based on our Group's net profit for each of the respective financial years.

(2) Calculated based on our Group's revenue for each of the respective financial years.

(3) Calculated based on our Group's NA for each of the respective financial years.

(4) Not applicable as our Group did not prepare any financial statements from 1 July 2024 up to the LPD.

(5) Fortress Code is principally involved in research, development and commercialisation of solutions for management and monitoring system, borderless data acquisition and data control system, management enterprise systems, provision of implementation, maintenance and technical services related to the above-mentioned solutions.

(6) Tan Beng Keong had resigned as a director of Fortress Code on 8 December 2023 and ceased to be the shareholder of Fortress Code since 22 December 2023, where he disposed of his shareholding in Fortress Code to Tey Hiang Heng (who is not related to the Promoters, substantial shareholders and directors of our Group).

(7) During the FYE 2021 and FYE 2022, Fortress Code acted as a reseller for PMAS for the provision of process control system to 2 Chinese companies, namely Chongqing Silian Technical Import & Export Co Ltd and Chongqing Anqisheng Technology Co Ltd. Subsequently, Fortress Code decided to cease its business as a reseller and requested our Group to transact directly with its Chinese customers.

(8) Through a letter of renewal of tenancy on 1 January 2022, ALR extended the tenancy for another 3 years commencing from 1 January 2022 to 31 December 2024 for the rental of 2 units located on the ground floor of a three-storey shop lot owned by Tan Bin Chee and Pang Suk Thing, bearing postal address of Ground Floor, Block D2-06 & D2-07, Pusat Perdagangan Dana 1, Jalan PJU 1A/46, Section PJU 1A, 47301 Petaling Jaya, Selangor Darul Ehsan for RM76,800 per annum. ALR has an option to renew for a further term of 2 years at the prevailing market rate subject with 3 months written notice in advance. ALR and the landlord may terminate the tenancy at any time by giving not less than 3 months written notice or by paying the 3 months' rent. ALR has renewed the tenancy agreement from 1 January 2025 up to 31 December 2027.

(9) SASB entered into a tenancy agreement with Toy Kek Bee on 1 October 2024 for the rental of units located on the lower ground floor, ground floor and first floor of a two and half-storey shop lot owned by Toy Kek Bee, bearing postal address of No. 43 & 43-1, (Basement), Jalan Suria Puchong 2, Pusat Perdagangan Suria, 47110 Puchong, Selangor Darul Ehsan for RM45,600 per annum. The tenancy is for a period of 2 years commencing from 1 October 2024 to 30 September 2026 with an option to renew for a further term of 1 year at the then current market rate, provided always that any increase shall not be more than 15% in any event, subject to 2 months written notice by either party before the expiry date. 2 months of security deposits will be forfeited if SASB terminates the tenancy agreement before the expiry date.

(10) SESB disposed its 51.00% equity interest in SEOG comprising 255,000 ordinary shares for a cash consideration of RM255,000 to Suzana Binti Abu Bakar and Jamal Bin Sawi, which was fully satisfied in cash. The transaction was completed on 12 January 2021.

9. RELATED PARTY TRANSACTIONS *(Cont'd)*

(11) Suzana Binti Abu Bakar has ceased to be the shareholder of SESB on 15 March 2024.

(12) Jamal Bin Sawi has resigned as a director of SESB on 12 March 2021 and ceased to be a director of SEOG on 24 March 2021 due to his demise. He has also ceased to be the shareholder of SESB on 12 March 2021.

Our Directors (save for Tan Bin Chee), having considered all aspects of the related party transactions, are of the view that:

(a) the related party transactions set out in item 2, 3, 5, 6, 7 and 8 were conducted on an arm's length basis based on terms and conditions which were not more favourable to the related parties than those generally available to the public and not detrimental to the interest of our Group in view that:

   (i) the provision of process control system by PMAS to Fortress Code was transacted at pricing which was comparable against contemporaneous transactions with unrelated third parties for similar products/services;

   (ii) the purchase of software by PMAS from Fortress Code was transacted at pricing which was comparable against contemporaneous transactions with unrelated third parties for similar products/services;

   (iii) the provision of IT solution by Fortress Code to SSMSC for the establishment of new contact centre was transacted at pricing which was comparable against contemporaneous transactions with unrelated third parties for similar products/services;

   (iv) the rental rates for the rented properties were arrived at based on the then prevailing market rental rates of properties within the vicinity; and

   (v) the disposal consideration was arrived at after taking into the consideration the audited NA of SEOG as at 30 September 2020 of RM396,839.

(b) the related party transactions set out in item 1 and 4 were not conducted on an arm's length basis based on terms and conditions which were not more favourable to the related parties than those generally available to the public and not detrimental to the interest of our Group in view that we are unable to procure comparative information to ascertain whether the provision of IT support and purchase of IT spare parts were transacted based on normal commercial terms and at market rate. Nonetheless, these were one-off transactions and are not expected to recur in the future.

Moving forward, in order to ensure that related party transactions are undertaken on arm's length basis and on normal commercial terms, we have established the following procedures:

(a) Recurrent related party transactions

   (i) At least 2 other contemporaneous transactions with third parties for similar products and/or quantities will be used as comparison, wherever possible, to determine if the price and terms offered by related parties are fair and reasonable and comparable to those offered by other third parties for the same or substantially similar type of products/ services and/ or quantities; or

   (ii) If quotation or comparative pricing from third parties cannot be obtained, the transaction price will be determined by our Group based on those offered by other third parties for substantially similar type of transaction to ensure that the recurrent related party transactions are not detrimental to us.

Our Board shall seek mandate from shareholders to enter into any recurrent related party transactions at a general meeting. Due to its time-sensitive nature, the shareholders' mandate will enable us to enter into such recurrent transactions which are transacted in our ordinary course of business without having to convene numerous general meetings to approve such recurrent transactions as and when they are entered into.

(b) Other related party transactions

(i) Whether the terms of the related party transaction are fair and on arm's length basis to our Group and would apply on the same basis if the transaction did not involve a related party;

(ii) The rationale for our Group to enter into the related party transaction and the nature of alternative transactions, if any; and

(iii) Whether the related party transaction would present a conflict of interest between our Group and the related parties, taking into account the size of the transaction and the nature of the related parties' interest in the transaction.

Where required under the Listing Requirements, a related party transaction may require prior approval of shareholders at a general meeting to be convened. An independent adviser may be appointed to comment as to whether the related party transaction is fair and reasonable so far as the shareholders are concerned; and whether the transaction is to the detriment of minority shareholders. In such instances, the independent adviser shall also advise minority shareholders on whether they should vote in favor of the transaction.

For related party transactions that require shareholders' approval, the Directors, major shareholders and/or persons connected with such Director or major shareholder, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transactions, the Director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Directors and/or major shareholders will also undertake that he shall ensure that the persons connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting. The relevant directors who are deemed interested or conflicted in such transactions shall also abstain from our Board deliberations and voting on the Board resolutions relating to these transactions.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Management Committee will, amongst others, supervise and monitor any related party transaction and the terms thereof and report to our Board for further action. If a member of our Audit and Risk Management Committee has an interest in any related party transaction, he is to abstain from participating in the review and approval process in relation to that transaction. Where necessary, our Board would make appropriate disclosures in our annual report with regard to any related party transaction entered into by us.

9. RELATED PARTY TRANSACTIONS *(Cont'd)*

9.2 TRANSACTIONS ENTERED INTO THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS

There were no transactions that were unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party for the Financial Period Under Review and up to the LPD.

9.3 LOANS MADE TO OR FOR THE BENEFIT OF THE RELATED PARTY

There were no loans made to or for the benefit of any related party for the Financial Period Under Review and up to the LPD.

9.4 FINANCIAL ASSISTANCE PROVIDED FOR THE BENEFIT OF THE RELATED PARTY

There was no financial assistance provided by us for the benefit of any related party for the Financial Period Under Review and up to the LPD.

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9. RELATED PARTY TRANSACTIONS *(Cont'd)*

9.5 OTHER TRANSACTIONS

9.5.1 Guarantee

Our Directors, namely Tan Bin Chee and/or Chin Saw Yong as well as Lok Wei Seng (director of SASB) had jointly and severally provided personal guarantees for the banking facilities extended by the following financial/non-financial institutions ("**Financiers**"):

Financiers	Type of facilities	Purposes	Guarantors	Facility limit RM'000	Amount guaranteed RM'000	Outstanding amount as at the LPD RM'000
United Overseas Bank (Malaysia) Berhad	• 1 term loan	For working capital requirements	Tan Bin Chee	1,000	1,000	368
United Overseas Bank (Malaysia) Berhad	• 1 performance guarantee • 1 letter of credit • 1 trust receipts • 1 bankers acceptance • 1 shipping guarantee • 1 financial guarantee • 1 invoice financing • 1 foreign exchange facility • 1 foreign exchange spot	• Performance guarantee: For performance/bid bonds to parties acceptable to the bank. • Letter of credit/ trust receipts/ bankers acceptance: For facilitating imports and local purchases of goods related to SESB's business. • Shipping guarantee: To favour shipping companies for taking delivery goods before arrival	Tan Bin Chee and PMAS	5,000	6,200	-

9. RELATED PARTY TRANSACTIONS *(Cont'd)*

Financiers	Type of facilities	Purposes	Guarantors	Facility limit RM'000	Amount guaranteed RM'000	Outstanding amount as at the LPD RM'000
		of shipping documents endorsed to the bank pursuant to letter of credit established by the bank. • Financial guarantee: To favour governmental bodies, utility companies, and other parties acceptable to the Bank. • Invoice financing: To finance payables such as purchases of services, intangibles and other business-related inputs acceptable to the bank. • Foreign exchange facility/Foreign exchange spot: For hedging SESB's foreign currency				

9. RELATED PARTY TRANSACTIONS *(Cont'd)*

Financiers	Type of facilities	Purposes	Guarantors	Facility limit RM'000	Amount guaranteed RM'000	Outstanding amount as at the LPD RM'000
		exposure arising from an underlying trade and/or financial transaction.				
United Overseas Bank (Malaysia) Berhad	• 1 wholesale term financing-i • 1 letter of credit-i • 1 trust receipt-i • 1 accepted bills-i purchase • 1 bank guarantee-i - financial guarantee • 1 bank guarantee-i – performance guarantee • 1 wholesale short term financing-i2 • 1 non-financing/ treasury facility (foreign exchange forward-i)	• Wholesale term financing-i: For refinancing the factory loans from Public Bank Berhad and capital expenditure expense; thereafter; for working capital requirements. • Letter of credit-i: For facilitating the imports and local purchases of halal raw materials and goods related to our business. • Trust receipt-i: For facilitating the financing of import and local purchase of halal goods	Tan Bin Chee and PMAS	31,000	31,640	28,353

9. RELATED PARTY TRANSACTIONS *(Cont'd)*

Financiers	Type of facilities	Purposes	Guarantors	Facility limit RM'000	Amount guaranteed RM'000	Outstanding amount as at the LPD RM'000
		related to our business. • Accepted bills-i purchase: For facilitating the financing of imports and local purchase of halal goods related to our business under basis. • Bank guarantee-i – financial guarantee: For issuance of financial guarantee favouring government bodies/ utility companies/ suppliers and parties acceptable to the bank. • Bank guarantee-i – performance guarantee: For issuance of tender/performance bonds/bid bonds favouring private/public				

9. RELATED PARTY TRANSACTIONS *(Cont'd)*

Financiers	Type of facilities	Purposes	Guarantors	Facility limit RM'000	Amount guaranteed RM'000	Outstanding amount as at the LPD RM'000
		parties acceptable by the bank. • Wholesale short term financing-i2: For refinancing current outstanding tradeline from Public Bank Berhad and to repay with 4-monthly instalments. • Non-financing/ treasury facility (foreign exchange forward-i): For hedging against approved foreign currencies exchange fluctuation in payments and receipts of funds for trade related transactions and other transactions subject to any restriction under the prevailing Foreign Exchange				

9. RELATED PARTY TRANSACTIONS *(Cont'd)*

Financiers	Type of facilities	Purposes	Guarantors	Facility limit RM'000	Amount guaranteed RM'000	Outstanding amount as at the LPD RM'000
		Administration regulations/notices.				
Maybank Islamic Berhad	• 1 letter of credit-i • 1 accepted bill-i • 1 invoice financing-i • 1 bank guarantee-i	• Letter of credit-i: For importation and local purchases of goods related to the business. • Accepted bill-i: For importation and local purchases of goods related to the business under letter of credit. collection and open account terms. • Invoice financing-i: For importation and local purchases of goods related to the business under open account terms. • Bank guarantee-i: As security deposit, utilities deposit and other financial guarantee for purposes related to the business/ for	Tan Bin Chee	3,000	3,000	-

9. RELATED PARTY TRANSACTIONS *(Cont'd)*

Financiers	Type of facilities	Purposes	Guarantors	Facility limit RM'000	Amount guaranteed RM'000	Outstanding amount as at the LPD RM'000
		issuance of performance bonds or tender deposits and other non-financial guarantee for purposes related to the business.				
AmBank Islamic Berhad	Murabahah Tawarruq Term Financing-i	For general working capital requirements	Tan Bin Chee and Chin Saw Yong	5,000	5,000	4,845
AmBank Islamic Berhad	1 hire purchase facility	To finance new Dahlih CNC Vertical Machining Center	Tan Bin Chee, Chin Saw Yong and SESB	470	470	300
BMW Credit (Malaysia) Sdn Bhd	1 hire purchase facility	To finance the motor vehicle	Tan Bin Chee	325	325	165
Maybank Islamic Berhad	1 hire purchase facility	To finance the motor vehicle	Tan Bin Chee	149	149	122
Public Bank Berhad	1 hire purchase facility	To finance the motor vehicle	Lok Wei Seng	100	100	84

In conjunction with the Listing, we have applied to the Financiers to obtain a release and/or discharge of the guarantees by substituting the same with a corporate guarantee from our Company and/or other securities from our Group acceptable to the Financiers. Until such release and/or discharge are obtained from the respective Financiers, our Directors will continue to guarantee the banking facilities extended to our Group.

9. RELATED PARTY TRANSACTIONS *(Cont'd)*

As at the date of this Prospectus, we have received conditional approvals from United Overseas Bank (Malaysia) Berhad, Maybank Islamic Berhad, AmBank Islamic Berhad, Public Bank Berhad and BMW Credit (Malaysia) Sdn Bhd to discharge the personal guarantees by substituting the same with a corporate guarantee from our Company. United Overseas Bank (Malaysia) Berhad, Maybank Islamic Berhad, AmBank Islamic Berhad, Public Bank Berhad and BMW Credit (Malaysia) Sdn Bhd have imposed conditions which include, amongst others, the discharge is conditional upon the completion of the Listing and execution and perfection of a corporate guarantee by Swift Energy.

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9.5.2 Amount due to/from related party/Directors

Save as disclosed below, there are no amount due to/from related party/Directors from/to our Group during the Financial Years Under Review and up to the LPD.

	As at 30 September 2021	As at 30 September 2022	As at 30 September 2023	As at the LPD
	RM'000	RM'000	RM'000	RM'000
Trade payable				
Amount due to a company in which a connected person of Director has significant financial interest in				
– Fortress Code	-	(1)3	(1)(5)118	-
Non-trade payable				
Amount due to a company in which a connected person of Director has significant financial interest in				
– Fortress Code	(2)8	(3)(5)368	(3)(5)41	-
Amount due to director				
– Lok Wei Seng	-	-	(4)1,152	-

Notes:

(1) Amount due to Fortress Code for the purchase of IT spare parts.

(2) Amount due to Fortress Code for the provision of IT support.

(3) Amount due to Fortress Code for the purchase of software and provision of IT solution for the establishment of a new contact centre.

(4) Amount due to Lok Wei Seng for the Acquisition of SASB.

(5) The amount of RM179,576 for the provision of IT solution for the establishment of a new contact centre by Fortress Code to SSMSC was recorded as accrual under non-trade payable in the FYE 2022 as Fortress Code has yet to issue an invoice for the services provided. Upon receipt of the invoice issued by Fortress Code in the FYE 2023, SSMSC has reclassified the outstanding amount owing to Fortress Code to trade payable.

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9.5.4 Transactions entered into with M & A Securities

Save as disclosed below, we have not entered into any transactions with M & A Securities who is the Adviser, Sponsor, Underwriter and Placement Agent for our Listing:

(a) Agreement between SESB and M & A Securities for the appointment of M & A Securities as Principal Adviser, Sponsor and Placement Agent; and

(b) Underwriting Agreement dated 18 November 2024 entered into between our Company and M & A Securities for the underwriting of 100,080,000 Issue Shares.

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10. CONFLICT OF INTEREST

10.1 INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS AND SUPPLIERS

As at the LPD, none of our Directors and/or substantial shareholders have any interest, direct or indirect, in other businesses and corporations which are carrying on a similar trade as our Group, or which are customers and/or suppliers of our Group.

It is our Director's fiduciary duty to avoid conflict, and they are required to attend courses which provide them guidelines on their fiduciary duties. In order to mitigate any possible conflict of interest situation in the future, our Directors will declare to our Audit and Risk Management Committee and our Board their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group. Our Audit and Risk Management Committee will first then evaluate if such Director's involvement gives rise to an actual or potential conflict of interest with our Group's business after the disclosure provided by such Director. After a determination has been made on whether there is an actual or potential conflict of interest of a Director, our Audit and Risk Management Committee will then:

(a) immediately inform our Board of the conflict of interest situation;

(b) make recommendations to our Board to direct the conflicted Director to:

    (i) withdraw from all his executive involvement in our Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director is an Executive Director); and

    (ii) abstain from all Board deliberation and voting in the matter that has given rise to the conflict of interest.

In relation to (b) above, the conflicted Director and persons connected to him (if applicable) shall be absent from any Board discussion relating to the recommendation of our Audit and Risk Management Committee and the conflicted Director and persons connected to him (if applicable) shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director, may however at the request of the Chairman of our Board, be present at our Board meeting to answer any questions.

In circumstances where a Director is determined to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his fiduciary responsibility to our Group, our Audit and Risk Management Committee may determine that a resignation of the conflicted Director from our Board is appropriate and necessary.

Where there are related party transactions between our Group with our Directors (or person connected to them) or companies in which our Directors (or person connected to them) have an interest, our Audit and Risk Management Committee will, amongst others, supervise and monitor such related party transaction and the terms thereof and report to our Board for further action. Please refer to Section 9.1 for the procedures to be taken to ensure that related party transactions (if any) are undertaken on arm's length basis.

10.2 DECLARATIONS OF CONFLICT OF INTEREST BY OUR ADVISERS

(a) Declaration by M & A Securities

M & A Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Principal Adviser, Sponsor, Underwriter and Placement Agent for our Listing.

(b) Declaration by Ben & Partners

Ben & Partners has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Solicitors in respect of the laws of Malaysia for our Listing.

(c) Declaration by Llinks Law Offices

Llinks Law Offices has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Solicitors in respect of the laws of China for our Listing.

(d) Declaration by Altum Law Corporation

Altum Law Corporation has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Solicitors in respect of the laws of Singapore for our Listing.

(e) Declaration by Weerawong, Chinnavat & Partners Ltd

Weerawong, Chinnavat & Partners Ltd has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Solicitors in respect of the laws of Thailand for our Listing.

(f) Declaration by KPMG PLT

KPMG PLT has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Auditors and Reporting Accountants for our Listing.

(g) Declaration by Vital Factor

Vital Factor has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as IMR for our Listing.

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11. FINANCIAL INFORMATION

11.1 HISTORICAL FINANCIAL INFORMATION

Our historical financial information throughout the Financial Period Under Review has been prepared in accordance with MFRS and IFRS and was not subject to any audit qualifications. The selected financial information and financial analysis included in this Prospectus are not intended to predict our Group's financial position, performance, and cash flows.

11.1.1 Combined statements of profit or loss and other comprehensive income

The following table sets out a summary of our combined statements of profit or loss and other comprehensive income for the Financial Period Under Review and FPE 2023, which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Accountants' Report set out in Sections 11.2 and 12 respectively.

	FYE 2021	FYE 2022	FYE 2023	FPE 2023	FPE 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	56,115	81,843	92,426	65,966	81,446
Cost of sales	(38,008)	(53,837)	(55,183)	(40,217)	(48,681)
GP	**18,107**	**28,006**	**37,243**	**25,749**	**32,765**
Other income	1,085	983	877	810	475
Selling and distribution expenses	(437)	(888)	(1,027)	(842)	(894)
Administrative expenses	(11,464)	(15,054)	(18,300)	(13,194)	(16,177)
Other expenses	(1,543)	(2,482)	(3,251)	(1,940)	(1,812)
Net (loss)/reversal on impairment of financial instruments and contract assets	(1,237)	(366)	(110)	(13)	774
Results from operating activities	**4,511**	**10,199**	**15,432**	**10,570**	**15,131**
Finance income	64	66	114	69	48
Finance costs	(577)	(702)	(1,061)	(706)	(946)
PBT	**3,998**	**9,563**	**14,485**	**9,933**	**14,233**
Income tax expense	(340)	(1,359)	(2,286)	(1,631)	(2,552)
PAT	**3,658**	**8,204**	**12,199**	**8,302**	**11,681**
Profit attributable to:					
Owners of our Group	3,581	7,906	11,948	7,986	11,670
Non-controlling interests	77	298	251	316	11
	3,658	**8,204**	**12,199**	**8,302**	**11,681**
EBIT(1)	4,511	10,199	15,432	10,570	15,131
EBITDA(1)	5,702	11,490	16,900	11,617	16,057
GP margin (%)(2)	32.27	34.22	40.29	39.03	40.23
PBT margin (%)(3)	7.12	11.68	15.67	15.06	17.48
PAT margin (%)(3)	6.52	10.02	13.20	12.59	14.34
Effective tax rate (%)(4)	8.50	14.21	15.78	16.42	17.93
Basic EPS (sen)(5)	0.48	1.05	1.59	1.06	1.55
Diluted EPS (sen)(6)	0.36	0.79	1.19	0.80	1.17

Notes:

(1) EBIT and EBITDA are calculated as follows:

	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FPE 2023 RM'000	FPE 2024 RM'000
PAT	3,658	8,204	12,199	8,302	11,681
Less:					
Finance income	(64)	(66)	(114)	(69)	(48)
Add:					
Finance costs	577	702	1,061	706	946
Income tax expense	340	1,359	2,286	1,631	2,552
EBIT	**4,511**	**10,199**	**15,432**	**10,570**	**15,131**
Add/(Less):					
Depreciation	1,191	1,291	1,656	1,188	1,125
Amortisation	-	-	(188)	(141)	(199)
EBITDA	**5,702**	**11,490**	**16,900**	**11,617**	**16,057**

(2) Calculated based on GP divided by revenue.

(3) PBT margin or PAT margin is calculated based on the PBT or PAT divided by revenue.

(4) Calculated based on income tax expense divided by PBT.

(5) Calculated based on PAT attributable to owners of our Group divided by 750,600,000 enlarged number of Shares in issue after the Pre-IPO Restructuring but before our IPO.

(6) Calculated based on PAT attributable to owner of our Group divided by 1,000,800,000 enlarged number of Shares in issue after our IPO.

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11.1.2 Combined statements of financial position

The following table sets out the combined statements of financial position of our Group as at 30 September 2021, 30 September 2022, 30 September 2023 and 30 June 2024, which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Accountants' Report set out in Sections 11.2 and 12 respectively.

	As at 30 September			As at 30 June
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
ASSETS				
Non-current assets				
Property, plant and equipment ("**PPE**")	21,395	22,579	22,880	22,554
Right-of-use ("**ROU**") assets	463	2,247	1,829	2,042
Deferred tax assets	75	371	631	279
Total non-current assets	**21,933**	**25,197**	**25,340**	**24,875**
Current assets				
Inventories	11,685	16,610	15,149	16,397
Trade and other receivables[(1)]	12,329	22,505	16,830	24,489
Contract assets	12,064	19,664	22,637	32,327
Prepayments	5,311	1,345	672	542
Current tax assets	1,256	1,326	664	866
Deposits placed with licensed banks	3,764	2,513	2,570	2,570
Cash and cash equivalents	8,413	9,186	13,836	8,487
Total current assets	**54,822**	**73,149**	**72,358**	**85,678**
TOTAL ASSETS	**76,755**	**98,346**	**97,698**	**110,553**
EQUITY AND LIABILITIES				
Share capital	-	*	*	42
Invested equity	2,000	2,000	2,000	2,000
Translation reserve	636	834	1,276	1,411
Retained earnings	34,476	38,383	39,494	51,164
Total equity attributable to owners of our Group	**37,112**	**41,217**	**42,770**	**54,617**
Non-controlling interests	1,711	2,010	319	330
TOTAL EQUITY	**38,823**	**43,227**	**43,089**	**54,947**
Non-current liabilities				
Loans and borrowings	11,715	14,003	12,835	21,572
Lease liabilities	134	1,098	437	466
Deferred income	-	-	563	422
Deferred tax liabilities	84	67	1	298
Total non-current liabilities	**11,933**	**15,168**	**13,836**	**22,758**

	As at 30 September			As at 30 June
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current liabilities				
Loans and borrowings	2,716	5,148	8,178	9,663
Lease liabilities	288	936	783	530
Deferred income	-	-	188	332
Trade and other payables[(2)]	13,966	19,781	27,893	18,018
Contract liabilities	8,875	13,399	2,900	3,062
Current tax liabilities	154	687	831	1,243
Total current liabilities	**25,999**	**39,951**	**40,773**	**32,848**
TOTAL LIABILITIES	**37,932**	**55,119**	**54,609**	**55,606**
TOTAL EQUITY AND LIABILITIES	**76,755**	**98,346**	**97,698**	**110,553**

Notes:

* Less than RM1,000.

(1) The breakdown of the trade and other receivables as at 30 September 2021, 30 September 2022, 30 September 2023 and 30 June 2024 are as follows:

	As at 30 September			As at 30 June
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables	9,140	17,721	14,276	21,304
Other receivables	3,189	4,784	2,554	3,185
Total	**12,329**	**22,505**	**16,830**	**24,489**

(2) The breakdown of the trade and other payables as at 30 September 2021, 30 September 2022, 30 September 2023 and 30 June 2024 are as follows:

	As at 30 September			As at 30 June
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade payables	9,445	12,411	10,200	13,207
Other payables	4,521	7,370	17,693	4,811
Total	**13,966**	**19,781**	**27,893**	**18,018**

11.1.3 Combined statements of cash flows

The following table sets out the combined statements of cash flows of our Group for the Financial Period Under Review and FPE 2023 which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Accountants' Report set out in Sections 11.2 and 12 respectively.

	FYE 2021	FYE 2022	FYE 2023	FPE 2023	FPE 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
PBT	3,998	9,563	14,485	9,933	14,233
Adjustments for:					
Depreciation of PPE	753	726	891	666	657
Depreciation of ROU assets	438	565	765	522	468
Finance costs	577	702	1,061	706	946
Finance income	(64)	(66)	(114)	(69)	(48)
Amortisation of government grants	-	-	(188)	(141)	(199)
Gain on disposal of PPE	-	(52)	-	-	-
Gain on disposal of ROU assets	(80)	-	(31)	(31)	(54)
Gain on disposal of shares in subsidiaries	-	(612)	-	-	-
Reversal of impairment loss on PPE	(8)	-	-	-	-
Inventories written down to net realisable value/(Reversal of inventories written down)	244	315	(486)	18	118
Net loss/(reversal) on impairment of financial instruments and contract assets	1,237	366	110	13	(774)
Unrealised foreign exchange differences	(347)	(60)	142	59	(32)
Operating profit before changes in working capital	**6,748**	**11,447**	**16,635**	**11,676**	**15,315**
Changes in working capital:					
Contract assets	(1,418)	(7,600)	(2,973)	17,010	(9,690)
Contract liabilities	4,168	4,524	(10,499)	(13,399)	161
Inventories	(4,200)	(4,400)	1,947	(1,041)	(1,366)
Prepayments	(4,424)	3,966	673	(1,208)	130
Trade and other receivables	10,276	(10,381)	5,763	(11,267)	(5,556)
Trade and other payables	(6,377)	6,399	(4,794)	53	2,995
Cash generated from operating activities	**4,773**	**3,955**	**6,752**	**1,824**	**1,989**
Tax paid	(1,526)	(1,055)	(2,111)	(1,759)	(1,693)
Tax refunded	-	-	304	59	-
Net cash from operating activities	**3,247**	**2,900**	**4,945**	**124**	**296**

	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FPE 2023 RM'000	FPE 2024 RM'000
Cash flows from investing activities					
Acquisition of PPE	(2,989)	(2,302)	(1,190)	(736)	(330)
Acquisition of right-of-use assets	-	-	-	-	(104)
Interest received from fixed deposits	64	66	114	69	48
Proceeds from disposal of PPE	-	260	-	-	-
Proceeds from disposal of ROU assets	207	44	31	31	54
Acquisition of non-controlling interests	-	-	-	-	(1,729)
Net cash outflow arising from acquisition of a subsidiary	-	(936)	-	-	-
Net cash inflow from disposal of shares in subsidiaries	255	33	-	-	-
Net cash used in investing activities	**(2,463)**	**(2,835)**	**(1,045)**	**(636)**	**(2,061)**
Cash flows from financing activities					
Dividends paid to:					
- owners of our Group	(2,000)	(4,000)	-	-	(11,000)
- non-controlling interests	(90)	(60)	-	-	(51)
Proceeds from issuance of share capital	-	*	-	-	42
Change in pledged deposits	(637)	1,251	(57)	(1,000)	-
Interest paid	(577)	(702)	(1,061)	(706)	(946)
Net drawdown/(repayment) of term loan	1,024	2,621	(1,197)	(1,024)	7,433
Net (repayment)/drawdown of bankers' acceptances	(329)	2,100	3,058	3,587	1,528
Government grant received	-	-	939	939	202
Payment of lease liabilities	(487)	(776)	(1,151)	(703)	(794)
Net cash (used in)/from financing activities	**(3,096)**	**434**	**531**	**1,093**	**(3,586)**
Net (decrease)/increase in cash and cash equivalents	**(2,312)**	**499**	**4,431**	**581**	**(5,351)**
Effect of exchange rate changes on cash and cash equivalents	206	274	219	176	2
Cash and cash equivalents at the beginning of the financial year	10,519	8,413	9,186	9,186	13,836
Cash and cash equivalents at the end of the financial year	**8,413**	**9,186**	**13,836**	**9,943**	**8,487**

Note:

* Less than RM1,000.

11.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and segmental analysis of our combined financial statements for the Financial Period Under Review should be read with the Accountants' Report included in Section 12.

11.2.1 Overview of our operations

(a) Principal activities

We are principally involved in the provision of industrial automation and power systems focusing on process control, Ex solar PV, power distribution, and other systems; mainly servicing customers in the O&G, as well as grain products, edible oils, and food manufacturing industries. We are also involved in the supply of related products and services comprising the distribution of power and industrial electrical products, and provision of technical services for process control and power distribution systems.

We principally operate in Malaysia (head office), Thailand, Singapore, and China. Our fabrication facility is located in Shah Alam, Selangor, Malaysia with branch offices in Selangor and Johor in Malaysia, Bangkok in Thailand, Singapore and Chongqing in China.

Please refer to Section 6 for our Group's detailed business overview.

(b) Revenue

<u>Overview</u>

Our revenue is generated from the following business activities:

(i) provision of industrial automation and power systems focusing on process control, Ex solar PV, power distribution, and other systems. Revenue in this segment which are project based are recognised over time using the cost incurred method.

(ii) supply of related products and services comprising the distribution of power and industrial electrical products, and provision of technical services. Revenue from the distribution segment is recognised when the goods are delivered and accepted by the customers at their premises or based on shipment terms. Revenue from the provision of technical services is recognised over time when services are performed using the cost-incurred method.

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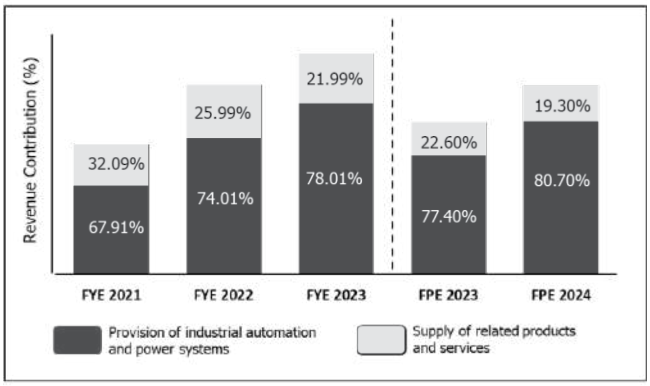
11. FINANCIAL INFORMATION *(Cont'd)*

Our total revenue increased from RM56.12 million in FYE 2021 to RM92.43 million in FYE 2023, representing a CAGR of 28.34%. In FPE 2024, our total revenue grew by 23.47% from RM65.97 million in FPE 2023 to RM81.45 million in FPE 2024.



Revenue contribution	FYE 30 September			FPE 30 June	
	2021 RM'000	2022 RM'000	2023 RM'000	2023 RM'000	2024 RM'000
Provision of industrial automation and power systems	**38,107**	**60,576**	**72,098**	**51,057**	**65,726**
• Process control systems	17,659	30,464	23,719	19,436	20,389
• Ex solar PV systems	7,173	9,364	24,818	12,776	22,610
• Power distribution systems	11,753	17,867	18,076	14,020	20,585
• Other systems	1,522	881	5,485	4,825	2,142
Supply of related products and services	**18,008**	**21,267**	**20,328**	**14,909**	**15,720**
• Distribution of power and industrial electrical products	14,075	17,329	17,138	12,270	9,851
• Provision of technical services	3,933	3,938	3,190	2,639	5,869
Total revenue	**56,115**	**81,843**	**92,426**	**65,966**	**81,446**

Our revenue from the provision of industrial automation and power systems increased at a CAGR of 37.54% from RM38.11 million in FYE 2021 to RM72.10 million in FYE 2023. In FPE 2024, revenue from this segment grew by 28.73%. Revenue from this segment accounted for 78.01% and 80.70% of our total revenue for the FYE 2023 and FPE 2024, respectively.

Our revenue from the supply of related products and services increased at a CAGR of 6.25% from RM18.01 million in FYE 2021 to RM20.33 million in FYE 2023. In FPE 2024, revenue from this segment grew by 5.44%. Revenue from this segment accounted for 21.99% and 19.30% of our total revenue for the FYE 2023 and FPE 2024, respectively.

Our Group's head office and fabrication facility is located in Shah Alam, Selangor and we have various operational facilities in Malaysia. We also operate in foreign countries, including China, Singapore, and Thailand. For the Financial Period Under Review, revenue from our Malaysia operations accounted for 75.20% (RM42.20 million), 66.83% (RM54.69 million), 60.61% (RM56.02 million) and 64.15% (RM52.25 million) for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively.

Revenue from our foreign operations accounted for 24.80% (RM13.92 million), 33.17% (RM27.15 million), 39.39% (RM36.41 million) and 35.85% (RM29.20 million) for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. In FYE 2023, Thailand operations were the largest contributor to our foreign operations which accounted for 14.77% (RM13.65 million) followed by Singapore operations at 14.49% (RM13.39 million) and China operations at 10.13% (RM9.36 million). Similarly, in FPE 2024, Thailand operations were the largest contributor to our foreign operations which accounted for 17.34% (RM14.12 million) followed by Singapore operations at 11.06% (RM9.01 million) and China operations at 7.45% (RM6.07 million).

Functional currencies and foreign exchange rates

We have subsidiaries operating in Malaysia, China, Thailand, and Singapore. The individual financial statements of our subsidiaries in Malaysia are prepared in RM, and the subsidiaries operating in foreign countries are prepared in foreign currencies, as follows:

Company	Status within our Group	Currency
Swift Energy	Holding company	RM
SESB	Subsidiary company	RM
ALR	Subsidiary company	RM
PMAS	Subsidiary company	RM
SASB	Subsidiary company	RM
SEOG	Subsidiary company	RM
SSMSC	Subsidiary company	RM
Chongqing Swift China	Subsidiary company	RMB
SE Singapore	Subsidiary company	SGD
SE Thailand	Subsidiary company	THB

Our combined financial statements are presented in RM, which is our Group's functional and presentation currency.

The foreign currency exchange rates used in our Group's combined financial statements for conversion of values denominated in foreign currencies to RM are summarised in the following table:

Average exchange rate relative to the following foreign currencies[(a)]	FYE 2021	FYE 2022	FYE 2023	Percentage change in the value of RM relative to the respective foreign currency[(b)]	
	RM	RM	RM	FYE 2021 to 2022	FYE 2022 to 2023
• RMB 1.00	0.6337	0.6571	0.6421	3.69%	-2.28%
• SGD 1.00	3.0754	3.1385	3.3511	2.05%	6.77%
• THB 1.00	0.1319	0.1255	0.1296	-4.85%	3.27%

Average exchange rate relative to the following foreign currencies[(a)]	FPE 2023	FPE 2024	Percentage change in the value of RM relative to the respective foreign currency[(b)]
	RM	RM	FPE 2023 to FPE 2024
• RMB 1.00	0.6452	0.6527	1.16%
• SGD 1.00	3.3017	3.4950	5.85%
• THB 1.00	0.1270	0.1314	3.46%

Closing exchange rate relative to the following foreign currencies[(a)]	FYE 2021	FYE 2022	FYE 2023	FPE 2024	Percentage change in the value of RM relative to the respective foreign currency[(b)]		
	RM	RM	RM	RM	FYE 2021 to 2022	FYE 2022 to 2023	FYE 2023 to FPE 2024
• RMB 1.00	0.6475	0.6457	0.6426	0.6496	-0.28%	-0.48%	1.09%
• SGD 1.00	3.0770	3.2213	3.4439	3.4783	4.69%	6.91%	1.00%
• THB 1.00	0.1235	0.1215	0.1286	0.1283	-1.62%	5.84%	-0.23%

Notes:

(a) By alphabetical order.

(b) A positive change in value indicates that the value of the RM depreciated relative to the respective foreign currency, while a negative change in value indicates that the value of the RM appreciated relative to the respective foreign currency.

(c) Cost of sales

Our cost of sales comprises the following components:

(i) Material costs

Material costs comprise the cost of materials used in the production and distribution of our products. This includes industrial electrical products and other products such as PLCs, RTUs and other controllers, circuit breakers, relays, surge protection devices, terminal blocks, navigational aids system, solar panel modules, wind turbine, and diesel generator set; transformers and resistors; Ex enclosures and accessories; metal products such as steel plates and copper busbars; and ICT products such as computers, communication devices and peripherals.

(ii) Subcontractor costs

For our fabrication operations in Malaysia, we engage third-party providers to carry out panel assembly and wiring works in our factory under our guidance and specifications. For our operations in China, we engage a third-party service provider to carry out panel fabrication, assembly and wiring works based on our specifications.

(iii) Labour costs

Labour costs comprise salaries, bonuses, allowances, and employee contribution plans for our engineers and production floor employees who are directly involved in the fabrication operations of our Group.

(iv) Other costs

Other costs comprise mainly transportation and insurance costs, travelling, accommodation and allowances expenses for our project engineers, materials freight costs, depreciation of plant and machinery, provision of obsolete stock, sales tax, machinery tools expenses, and sundry expenses.

(d) Finance and other income

Finance income comprise interest income while other income mainly includes government grant, amortisation of government grants, reversal of bad debts, gain on disposal of PPE, gain on disposal of shares in subsidiaries, unrealised gain on foreign exchange, gain on disposal of production scrap, and wages subsidies.

(e) Selling and distribution expenses

Selling and distribution expenses comprises sales commission to our sales and marketing employees.

(f) Administrative expenses

Administrative expenses mainly comprise staff salaries and other related staff costs, directors' fees and remuneration, travelling expenses, bank charges, rental expenses, audit fee, utility expenses, insurance expenses, office expenses, R&D expenses, penalty fees relating to late payment of employee contribution in 2015 to 2022, GST payable, stamp duty and legal fees.

(g) Other expenses

Other expenses comprise professional fees relating to our IPO exercise, depreciation of PPE and ROU assets, and realised and unrealised loss on foreign currency exchange.

(h) Finance costs

Finance cost comprises mainly interest expenses on our term loans, bankers' acceptances, other trade facilities, and lease liabilities.

(i) Recent developments

Save for the Acquisitions, Internal Restructuring of SESB, payment of dividend in respect of FYE 2023 and reversal of impairment of bad debts relating to amount owing from a Malaysian construction company, namely Bina Puri Sdn Bhd, there were no other significant events subsequent to our Group's audited combined financial statements for the Financial Period Under Review.

(j) Exceptional and extraordinary items and audit qualifications

There were no exceptional or extraordinary items during the Financial Period Under Review. In addition, our audited financial statements for the Financial Period Under Review were not subject to any audit qualifications.

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11.2.2 Significant factors affecting our revenue

Please refer to Section 8 for the details of risk factors relating to our business and the industry in which we operate in. Some of these risk factors have an impact on our Group's revenue and financial performance. The main factors which affect our revenue and profit include but not limited to the following:

(a) We are dependent on the O&G industry, and grain products, edible oils, and food manufacturing industries;

(b) We are dependent on Siemens group and Emerson group as our major suppliers;

(c) We do not have any long-term contractual agreements with our customers except for our contract secured from Customer A;

(d) We are subject to regulatory requirements and product certifications for our business operations;

(e) We are subject to foreign exchange fluctuation risks which may impact the profitability of our Group; and

(f) We face the risk of infringing on the intellectual property of third parties.

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11. FINANCIAL INFORMATION *(Cont'd)*

11.2.3 Review of our results of operations

(a) Revenue

Analysis of revenue by business activities

Our revenue by business activities for the Financial Period Under Review and FPE 2023 are set out below:

	FYE 2021		FYE 2022		FYE 2023		FPE 2023		FPE 2024	
Revenue by business activities	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Provision of industrial automation and power systems[(1)]	**38,107**	**67.91**	**60,575**	**74.02**	**72,098**	**78.01**	**51,057**	**77.40**	**65,726**	**80.70**
- Process control systems	17,659	31.47	32,464	39.67	23,719	25.66	19,436	29.47	20,389	25.03
- Ex solar PV systems	7,173	12.78	9,364	11.44	24,818	26.85	12,776	19.37	22,610	27.76
- Power distribution systems	11,753	20.95	17,866	21.83	18,076	19.56	14,020	21.25	20,585	25.28
- Other systems	1,522	2.71	881	1.08	5,485	5.94	4,825	7.31	2,142	2.63
Supply of related products and services	**18,008**	**32.09**	**21,268**	**25.98**	**20,328**	**21.99**	**14,909**	**22.60**	**15,720**	**19.30**
- Distribution of power and industrial electrical products	14,075	25.08	17,329	21.17	17,138	18.54	12,270	18.60	9,851	12.10
- Provision of technical services	3,933	7.01	3,939	4.81	3,190	3.45	2,639	4.00	5,869	7.20
Total	**56,115**	**100.00**	**81,843**	**100.00**	**92,426**	**100.00**	**65,966**	**100.00**	**81,446**	**100.00**

11. FINANCIAL INFORMATION *(Cont'd)*

Note:

(1) The revenue breakdown by Ex systems and non-Ex systems are as follows:

	FYE 2021		**FYE 2022**		**FYE 2023**		**FPE 2023**		**FPE 2024**	
Provision of industrial automation and power systems	**RM'000**	***%**	**RM'000**	***%**	**RM'000**	***%**	**RM'000**	***%**	**RM'000**	***%**
Ex systems[a]	11,591	20.66	15,229	18.61	36,043	39.00	22,594	34.25	30,491	37.44
Non-Ex systems[b]	26,516	47.25	45,346	55.41	36,055	39.01	28,463	43.15	35,235	43.26
Total	**38,107**	**67.91**	**60,575**	**74.02**	**72,098**	**78.01**	**51,057**	**77.40**	**65,726**	**80.70**

Notes:

* Percentage against total revenue respectively.

(a) Includes Ex solar PV systems, Ex swithracks and other systems.

(b) Includes process control systems, LV switchboards and distribution boards.

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11. FINANCIAL INFORMATION *(Cont'd)*

Analysis of revenue by business activities and operational countries

Our revenue by business activities and the location of our operations based in Malaysia and foreign countries for the Financial Period Under Review and FPE 2023 are set out below:

Revenue by business activities and operational countries	FYE 2021		FYE 2022		FYE 2023		FPE 2023		FPE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Provision of industrial automation and power systems	**38,107**	**67.91**	**60,575**	**74.02**	**72,098**	**78.01**	**51,057**	**77.40**	**65,726**	**80.70**
- Malaysia operations	30,134	53.70	37,987	46.42	42,034	45.48	25,751	39.04	38,789	47.62
- Thailand operations	807	1.44	5,450	6.66	13,251	14.34	11,727	17.77	13,836	16.99
- China operations	5,380	9.59	11,726	14.33	8,587	9.29	7,894	11.97	5,461	6.71
- Singapore operations	1,786	3.18	5,412	6.61	8,226	8.90	5,685	8.62	7,640	9.38
Supply of related products and services	**18,008**	**32.09**	**21,268**	**25.98**	**20,328**	**21.99**	**14,909**	**22.60**	**15,720**	**19.30**
- Malaysia operations	12,063	21.50	16,705	20.41	13,987	15.13	11,157	16.91	13,459	16.53
- Singapore operations	4,274	7.62	3,112	3.80	5,168	5.59	3,094	4.69	1,367	1.68
- China operations	1,568	2.79	1,136	1.39	772	0.84	520	0.79	609	0.74
- Thailand operations	103	0.18	315	0.38	401	0.43	138	0.21	285	0.35
Total	**56,115**	**100.00**	**81,843**	**100.00**	**92,426**	**100.00**	**65,966**	**100.00**	**81,446**	**100.00**

11. FINANCIAL INFORMATION *(Cont'd)*

Our revenue by the location of our operations based in Malaysia and foreign countries for the Financial Period Under Review and FPE 2023 are set out below:

Revenue by operational countries	FYE 2021		FYE 2022		FYE 2023		FPE 2023		FPE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia operations	**42,197**	**75.20**	**54,692**	**66.83**	**56,021**	**60.61**	**36,908**	**55.95**	**52,248**	**64.15**
Foreign operations	**13,918**	**24.80**	**27,151**	**33.17**	**36,405**	**39.39**	**29,058**	**44.05**	**29,198**	**35.85**
- Thailand	910	1.62	5,765	7.04	13,652	14.77	11,865	17.98	14,121	17.34
- Singapore	6,060	10.80	8,524	10.41	13,394	14.49	8,779	13.31	9,007	11.06
- China	6,948	12.38	12,862	15.72	9,359	10.13	8,414	12.76	6,070	7.45
Total	**56,115**	**100.00**	**81,843**	**100.00**	**92,426**	**100.00**	**65,966**	**100.00**	**81,446**	**100.00**

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Analysis of revenue by geographical markets

Our revenue by the location of our customers (based on customers' invoice address) for the Financial Period Under Review and FPE 2023 are set out below:

Revenue by geographical markets	FYE 2021		FYE 2022		FYE 2023		FPE 2023		FPE 2024	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Malaysia	**29,302**	**52.22**	**34,658**	**42.35**	**39,261**	**42.48**	**25,449**	**38.58**	**38,162**	**46.86**
Foreign countries	**26,813**	**47.78**	**47,185**	**57.65**	**53,165**	**57.52**	**40,517**	**61.42**	**43,284**	**53.14**
- Singapore	7,843	13.98	13,425	16.40	18,265	19.76	11,713	17.75	15,171	18.63
- Thailand	911	1.62	5,766	7.04	13,653	14.77	11,866	17.99	14,121	17.34
- China	9,945	17.72	15,007	18.34	10,314	11.16	9,148	13.87	8,441	10.36
- Others	(1)8,114	14.46	(2)12,987	15.87	(3)10,933	11.83	(4)7,790	11.81	(5)5,551	6.81
Total	**56,115**	**100.00**	**81,843**	**100.00**	**92,426**	**100.00**	**65,966**	**100.00**	**81,446**	**100.00**

Notes:

(1) Includes Ghana, Papua New Guinea, Vietnam, Indonesia, Australia, Belgium, Philippines, Ukraine, Uganda, Qatar, India, South Africa, Brunei, Germany, Norway, Hong Kong, Zambia, and South Korea.

(2) Includes Papua New Guinea, Indonesia, Ghana, Philippines, Vietnam, India, Australia, Brunei, Germany, South Africa, Myanmar, South Korea, and Belgium.

(3) Includes South Africa, Zambia, Indonesia, Australia, Myanmar, Philippines, Ghana, Papua New Guinea, South Korea, Türkiye, Vietnam, Uganda, Germany, and India.

(4) Includes South Africa, Indonesia, Ghana, South Korea, Papua New Guinea, Philippines, Mozambique, Zambia, Türkiye, Vietnam, Uganda, Germany, Australia and Myanmar.

(5) Includes Papua New Guinea, Republic of Côte d'Ivoire, Myanmar, Ghana, United Arab Emirates, Uganda, Vietnam, Zambia, Indonesia, Brunei, Türkiye, Norway, Germany, Netherlands, UK and Australia.

Commentary on revenue

Comparison between FYE 2021 and FYE 2022

Our revenue increased by 45.85% or RM25.73 million from RM56.12 million in FYE 2021 to RM81.84 million in FYE 2022. This was mainly due to the following business segments:

Provision of industrial automation and power systems

Our revenue from the provision of industrial automation and power systems segment increased by 58.96% or RM22.47 million to RM60.58 million in FYE 2022 (FYE 2021: RM38.11 million). This was mainly due to the increase in revenue from the provision of process control systems and power distribution systems as set out below:

- increase in revenue from the provision of process control systems by 83.84% or RM14.81 million to RM32.46 million in FYE 2022 (FYE 2021: RM17.66 million) which was mainly contributed by the increase in revenue from our Malaysia and China operations:

  - increase in revenue from our Malaysia operations by RM6.85 million mainly due to the revenue recognised from the orders for various PLC and MCC panel systems from an engineering company in Singapore for grains and edible oil plants, as well as order for a PLC and MCC panel system from a flour milling plant operator in Papua New Guinea; and

  - increase in revenue from our China operations by RM6.35 million mainly due to an increase in revenue recognised from the orders for various PLC panel systems from edible oil refinery and wheat processing plant operators in China.

- increase in revenue from the provision of power distribution systems by 52.01% or RM6.11 million to RM17.87 million in FYE 2022 (FYE 2021: RM11.75 million) which was mainly contributed by our Malaysia, Singapore and Thailand operations:

  - increase in revenue from our Malaysia operations by RM2.48 million which was mainly contributed by the revenue recognised from the order for distribution boards from an EPCC company in the Philippines, and orders for Ex switchracks from an engineering company in Malaysia;

  - increase in revenue from our Singapore operations by RM2.47 million, mainly contributed by the revenue recognised from the order for LV switchboards and MCC panels from an EPCC company in Singapore for a utility project in Hong Kong; and

  - increase in revenue from our Thailand operations by RM1.17 million mainly contributed by the revenue recognised from the orders for Ex distribution boards from an EPCC company in Thailand.

- increase in revenue from the provision of Ex solar PV systems by 30.55% or RM2.19 million to RM9.36 million in FYE 2022 (FYE 2021: RM7.17 million) which was mainly contributed by our Thailand operations by RM3.13 million. This was largely attributed to revenue recognised from the orders for Ex solar PV systems from an EPCC company in Thailand.

<u>Supply of related products and services</u>

Our revenue from the supply of related products and services increased by 18.10% or RM3.26 million to RM21.27 million in FYE 2022 (FYE 2021: RM18.01 million).

This was mainly contributed by the increase in revenue from the distribution of power and industrial electrical products by RM3.25 million arising mainly from our Malaysia operations. Revenue for the distribution of power and industrial electrical products for our Malaysia operations increased by RM4.77 million. This was mainly due to the revenue contribution from ALR of RM2.79 million in FYE 2022 for the distribution of industrial electrical products. ALR was acquired by SESB in January 2022 and is an Authorised Distributor of Emerson's machine automation solutions products. Additionally, in FYE 2022, our Malaysia operations generated revenue from distribution of NER amounting to RM2.44 million contributed by sales orders for NER from a transformer manufacturer in Indonesia.

The increase was partially offset by a decrease in revenue from our Singapore operations for the distribution of power and industrial electrical products by RM1.28 million. The decrease in revenue was mainly due to lower sales orders for industrial electrical products, enclosures and NER from customers in Singapore in FYE 2022.

Comparison between FYE 2022 and FYE 2023

Our revenue increased by 12.93% or RM10.58 million from RM81.84 million in FYE 2022 to RM92.43 million in FYE 2023. This was mainly due to the provision of industrial automation and power systems segment, as follows:

<u>Provision of industrial automation and power systems</u>

Our revenue from the provision of industrial automation and power systems segment increased by 19.02% or RM11.52 million to RM72.10 million in FYE 2023 (FYE 2022: RM60.58 million). This was mainly due to the increase in revenue from the provision of Ex solar PV systems, other systems and power distribution systems as set out below:

- increase in revenue from the provision of Ex solar PV systems by 165.04% or RM15.45 million to RM24.82 million in FYE 2023 (FYE 2022: RM9.36 million), which was mainly contributed by the increase in revenue from our Malaysia and Thailand operations:

    - increase in revenue from our Malaysia operations by RM9.41 million mainly attributed to the revenue recognised from orders for Ex solar PV systems from EPCC companies in Malaysia; and

    - increase in revenue from our Thailand operations by RM6.09 million mainly attributed to the revenue recognised for the orders for Ex solar PV systems from an EPCC company in Thailand.

- increase in revenue from the provision of other systems by 522.59% or RM4.60 million to RM5.49 million in FYE 2023 (FYE 2022: RM0.88 million). This was mainly contributed by our Malaysia operations which increased by RM4.27 million largely attributed by revenue recognised from the orders for diesel-powered generator systems from an EPCC company in Malaysia.

- increase in revenue from the provision of power distribution systems by 1.18% or RM0.21 million to RM18.08 million in FYE 2023 (FYE 2022: RM17.87 million), which was mainly contributed by our Singapore and Thailand operations:

  - increase in revenue from our Singapore operations by RM5.12 million mainly contributed by the revenue recognised from the orders for LV switchboards and MCC panels from an EPCC company in Singapore and orders for LV switchboards from equipment manufacturer in Singapore. These orders were for a utility project in Hong Kong; and

  - increase in revenue from our Thailand operations by RM1.38 million mainly contributed by the revenue recognised from the orders for Ex distribution boards from an EPCC company in Thailand.

  The increase was partially offset by a decrease in revenue from our Malaysia operations for the provision of power distribution systems by RM6.28 million. The decrease in revenue was mainly due to lower sales orders for LV switchboards and MCC panels from customers in Malaysia in FYE 2023.

Supply of related products and services

The increase in our total revenue was partially offset by the decrease in revenue from the supply of related products and services by 4.42% or RM0.94 million to RM20.33 million in FYE 2023 (FYE 2022: RM21.27 million). This was attributed to the following:

- decrease in revenue from the provision of technical services by 19.01% or RM0.75 million arising mainly from our Malaysia operations which decreased by RM0.72 million as there were lower work orders for technical services from our customers in Malaysia in FYE 2023; and

- decrease in revenue from the distribution of power and industrial electrical products by 1.10% or RM0.19 million arising mainly from our Malaysia operations which decreased by RM2.00 million. This was mainly due to the decrease in sales orders for NER and transformers from our Malaysia operations in FYE 2023. The decrease in revenue was partially offset by the increase in revenue from our Singapore operations for the distribution of power and industrial electrical products by RM2.10 million. This was mainly due to the increase in the sales of NER to foreign customers.

In FYE 2023, our revenue from China market (based on customers' invoice address) decreased by 31.27% or RM4.69 million to RM10.31 million in FYE 2023 (FYE 2022: RM15.01 million). This largely was attributed by lower demand for process control system from our customers in China.

Comparison between FPE 2023 and FPE 2024

Our revenue increased by 23.47% or RM15.48 million from RM65.97 million in FPE 2023 to RM81.45 million in FPE 2024. This was mainly due to the following business segments:

Provision of industrial automation and power systems

Our revenue from the provision of industrial automation and power systems segment increased by 28.73% or RM14.67 million to RM65.73 million in FPE 2024 (FPE 2023: RM51.06 million), mainly contributed by the following:

- increase in revenue from the provision of Ex solar PV systems by RM9.83 million to RM22.61 million in FPE 2024 (FPE 2023: RM12.78 million). This was mainly contributed by the increase in revenue from our Malaysia operations by RM7.99 million from the orders for Ex solar PV systems from EPCC and engineering companies in Malaysia.

- increase in revenue from the provision of power distribution systems by RM6.57 million to RM20.59 million in FPE 2024 (FPE 2023: RM14.02 million), which was mainly contributed by the increase in revenue from our Malaysia operations by RM6.80 million. This includes an order for LV switchboards from an EPCC company for a power generation plant in Kedah, and orders for Ex switchracks from an EPCC company in Malaysia.

- increase in revenue from the provision of process control systems by RM0.95 million to RM20.39 million in FPE 2024 (FPE 2023: RM19.44 million). This was mainly contributed by the increase in revenue from our Malaysia and Singapore operations. This mainly includes the orders from our Malaysia operations for customers in Singapore, China, Papua New Guinea, and Republic of Côte d'Ivoire as well as orders from our Singapore operations from an engineering company in Singapore for food processing plants in Indonesia and Philippines.

Supply of related products and services

Our revenue from the supply of related products and services increased by 5.44% or RM0.81 million to RM15.72 million in FPE 2024 (FPE 2023: RM14.91 million).

This was mainly contributed by the increase in revenue from the provision of technical services segment by 122.39% or RM3.23 million to RM5.87 million in FPE 2024 (FPE 2023: RM2.64 million) arising mainly from our Malaysia operations. Revenue for the provision of technical services for our Malaysia operations increased by RM3.45 million. This was mainly due to the higher revenue from the services rendered to an O&G platform operator in Malaysia for maintenance, repair and troubleshooting works of Siemens LV switchboards and other power distribution systems, as well as services rendered to an engineering company in Malaysia for electrical installation supervision works of LV switchboards in O&G platforms.

The increase in revenue from this segment was partially offset by the decrease in revenue from the distribution of power and industrial electrical products segment by 19.71% or RM2.42 million to RM9.85 million in FPE 2024 (FPE 2023: RM12.27 million) arising mainly from our Singapore and Malaysia operations. Revenue from the distribution segment for our Singapore operations decreased by RM1.69 million mainly due to a decrease in sales orders of NER, while decrease in revenue from our

Malaysia operations by RM1.14 million was mainly due to decrease in orders of industrial electrical products from customers.

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11. FINANCIAL INFORMATION *(Cont'd)*

(b) Cost of sales

Analysis of cost of sales by business activities

The breakdown of our Group's cost of sales by business activities are as follows:

Cost of sales by business activities	FYE 2021		FYE 2022		FYE 2023		FPE 2023		FPE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Provision of industrial automation and power systems	**25,798**	**67.87**	**39,483**	**73.34**	**42,158**	**76.39**	**31,343**	**77.93**	**40,192**	**82.56**
- Process control systems	12,917	33.98	23,555	43.75	14,216	25.76	12,739	31.67	13,668	28.07
- Ex solar PV systems	4,394	11.56	5,714	10.62	13,732	24.88	6,902	17.16	11,366	23.35
- Power distribution systems	7,406	19.49	9,551	17.74	10,801	19.57	8,711	21.66	14,081	28.93
- Other systems	1,081	2.84	663	1.23	3,409	6.18	2,991	7.44	1,077	2.21
Supply of related products and services	**12,210**	**32.13**	**14,354**	**26.66**	**13,025**	**23.61**	**8,874**	**22.07**	**8,489**	**17.44**
- Distribution of power and industrial electrical products	11,269	29.65	12,747	23.68	11,637	21.09	8,018	19.94	7,265	14.93
- Provision of technical services	941	2.48	1,607	2.98	1,388	2.52	856	2.13	1,224	2.51
Total	**38,008**	**100.00**	**53,837**	**100.00**	**55,183**	**100.00**	**40,217**	**100.00**	**48,681**	**100.00**

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11. FINANCIAL INFORMATION *(Cont'd)*

Analysis of cost of sales by business activities and operational countries

Our cost of sales by business activities and the location of our operations based in Malaysia and foreign countries for the Financial Period Under Review and FPE 2023 are set out below:

Cost of sales by business activities and operational countries	FYE 2021		FYE 2022		FYE 2023		FPE 2023		FPE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Provision of industrial automation and power systems	**25,798**	**67.87**	**39,483**	**73.34**	**42,158**	**76.39**	**31,343**	**77.93**	**40,192**	**82.56**
- Malaysia operations	19,372	50.97	26,391	49.02	25,685	46.54	17,369	43.19	24,980	51.31
- Thailand operations	692	1.82	1,350	2.51	6,390	11.58	5,954	14.80	6,388	13.12
- China operations	4,234	11.14	8,762	16.28	5,132	9.30	4,690	11.66	4,089	8.40
- Singapore operations	1,500	3.94	2,980	5.53	4,951	8.97	3,330	8.28	4,735	9.73
Supply of related products and services	**12,210**	**32.13**	**14,354**	**26.66**	**13,025**	**23.61**	**8,874**	**22.07**	**8,489**	**17.44**
- Malaysia operations	7,426	19.54	11,143	20.70	8,862	16.06	6,816	16.94	7,303	15.01
- Singapore operations	3,537	9.31	2,156	4.00	3,633	6.58	1,908	4.74	746	1.53
- China operations	1,231	3.24	886	1.65	291	0.53	139	0.36	287	0.59
- Thailand operations	16	0.04	169	0.31	239	0.44	11	0.03	153	0.31
Total	**38,008**	**100.00**	**53,837**	**100.00**	**55,183**	**100.00**	**40,217**	**100.00**	**48,681**	**100.00**

11. FINANCIAL INFORMATION *(Cont'd)*

Analysis of cost of sales by geographical markets

Our cost of sales by the location of our customers (based on customers' invoice address) for the Financial Period Under Review and FPE 2023 are set out below:

Cost of sales by geographical markets	**FYE 2021**		**FYE 2022**		**FYE 2023**		**FPE 2023**		**FPE 2024**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Malaysia	**19,490**	**51.28**	**22,996**	**42.71**	**23,285**	**42.20**	**16,963**	**42.18**	**24,214**	**49.74**
Foreign countries	**18,518**	**48.72**	**30,841**	**57.29**	**31,898**	**57.80**	**23,254**	**57.82**	**24,467**	**50.26**
- Singapore	7,045	18.54	6,605	12.27	9,765	17.70	6,229	15.49	9,091	18.67
- Thailand	699	1.84	2,689	5.00	6,629	12.01	5,966	14.83	6,542	13.44
- China	7,832	20.60	12,942	24.04	7,981	14.46	6,394	15.90	6,621	13.60
- Others	2,942	7.74	8,605	15.98	7,523	13.63	4,665	11.60	2,213	4.55
Total	**38,008**	**100.00**	**53,837**	**100.00**	**55,183**	**100.00**	**40,217**	**100.00**	**48,681**	**100.00**

Analysis of cost of sales by cost component

The breakdown of our Group's cost of sales by cost component are as follows:

Cost of sales by cost component	**FYE 2021**		**FYE 2022**		**FYE 2023**		**FPE 2023**		**FPE 2024**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Material costs	30,412	80.01	41,531	77.14	44,724	81.05	32,410	80.59	41,074	84.38
Subcontractor costs	2,896	7.62	5,015	9.32	4,384	7.94	3,027	7.53	2,226	4.57
Labour costs	2,875	7.57	4,405	8.18	4,606	8.35	3,326	8.27	3,778	7.76
Other costs	1,825	4.80	2,886	5.36	1,469	2.66	1,454	3.61	1,603	3.29
Total	**38,008**	**100.00**	**53,837**	**100.00**	**55,183**	**100.00**	**40,217**	**100.00**	**48,681**	**100.00**

(i) Material costs

Material costs consists of the cost of materials used in the production and distribution of our products. This includes industrial electrical and other products such as PLCs, RTUs and other controllers, circuit breakers, relays, surge protection devices, terminal blocks, navigational aids system, solar panel modules, wind turbine, and diesel generator set; transformers and resistors; Ex enclosures and accessories; metal products such as steel plates and copper busbars; and ICT products such as computers, communication devices and peripherals.

Material costs constituted the largest component of our cost of sales which accounted for 80.01%, 77.14%, 81.05% and 84.38% of total cost of sales for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively.

In FYE 2022, our material costs increased by 36.56% or RM11.12 million largely due to the increase in cost of industrial electrical and other products, transformers and resistors, Ex products and accessories and ICT products which is in line with the increase in our revenue by 45.85% or RM25.73 million during the financial period.

In FYE 2023, our material costs increased by 7.69% or RM3.19 million largely due to the increase in cost of industrial electrical and other products, Ex products and accessories, and metal products which is contributed by the increase in our revenue by 12.93% or RM10.58 million during the financial period.

In FPE 2024, our material costs increased by 26.73% or RM8.66 million largely due to the increase in cost of industrial electrical and other products, Ex products and accessories as well as ICT products. This is in line with the increase in our revenue by 23.47% or RM15.48 million.

(ii) Subcontractor costs

For our fabrication operations in Malaysia, we engage third-party service providers to carry out panel assembly and wiring works in our factory under our guidance and specifications. For our operations in China, we engage a third-party service provider to carry out panel fabrication, assembly and wiring works based on our specifications.

In FYE 2022, our subcontractor costs increased by 73.17% or RM2.12 million mainly due to the increase in panel assembly and wiring works that was subcontracted out by our fabrication operations in Malaysia. This is in line with the increase in our orders and revenue in FYE 2022 which grew by 45.85% or RM25.73 million during the financial period.

In FYE 2023, our subcontractor costs decreased by 12.58% or RM0.63 million mainly due to decrease in panel assembly and wiring works that was subcontracted out by our fabrication operations in Malaysia. This was largely attributed to the decrease in orders for process control panels which is reflected in the decrease in revenue for the provision of process control systems by 26.94%.

In FPE 2024, our subcontractor costs decreased by 26.46% or RM0.80 million mainly due to lower subcontracting of panel wiring works for our Malaysia operations as we hired additional technicians in FPE 2024.

(iii) Labour costs

Labour costs comprise salaries, bonuses, allowances and employee contribution plan for our engineers and production floor employees who are directly involved in the fabrication operations of our Group.

In FYE 2022, our labour costs increased by 53.22% or RM1.53 million mainly due to the increase in number of engineers from 37 personnel as at 30 September 2021 to 45 personnel as at 30 September 2022, coupled with the increment in salaries.

In FYE 2023, our labour costs increased by 4.56% or RM0.20 million, mainly due to increase in number of engineers from 45 personnel as at 30 September 2022 to 48 personnel as at 30 September 2023, coupled with the increment in salaries.

In FPE 2024, our labour costs increased by 13.59% or RM0.45 million, mainly due to the increase in salaries, overtime and allowances, coupled with the increase in number of engineers from 46 personnel as at 30 June 2023 to 54 engineers as at 30 June 2024.

(iv) Other costs

Other costs comprise mainly transportation and insurance costs, travelling, accommodation and allowances expenses for our project engineers, materials freight costs, depreciation of plant and machinery, provision of obsolete stock, sales tax, machinery tools expenses, and sundry expenses.

In FYE 2022, other costs increased by 58.14% or RM1.06 million, mainly due to the increase in travelling expenses by RM0.77 million arising from the increase in project commissioning trip to customers in foreign countries. In addition, there was an increase in freight costs by RM0.56 million arising from the increase in our export sales in FYE 2022.

In FYE 2023, other costs decreased by 49.10% or RM1.42 million mainly due to the reversal of provision of obsolete stock of RM0.80 million attributed to the reinstatement of certain inventories, mainly electrical components and devices, following quarterly full stocks count exercises that was carried out during the FYE 2023 due to the return of stocks after the project completion. This was to identify any mismatch between the number of physical stocks compared to the records in the system. In addition, freight cost and travelling expenses also recorded a decrease of RM0.56 million and RM0.41 million respectively.

In FPE 2024, other costs increased by 10.25% or RM0.15 million mainly due to the increase in provision of obsolete stock of RM0.10 million, travelling expenses of RM0.09 million arising from the increase in project commissioning trip to customers in foreign countries, as well as sales tax of RM0.08 million.

11. FINANCIAL INFORMATION *(Cont'd)*

(c) GP and GP margin

Analysis of GP and GP margin by business activities

Our GP and GP margin by business activities for the Financial Period Under Review and FPE 2023 are set out below:

GP and GP margin by business activities	FYE 2021			FYE 2022			FYE 2023		
	GP RM'000	% of total GP	GP margin %	GP RM'000	% of total GP	GP margin %	GP RM'000	% of total GP	GP margin %
Provision of industrial automation and power systems[1]	**12,309**	**67.98**	**32.30**	**21,092**	**75.31**	**34.82**	**29,940**	**80.39**	**41.53**
- Process control systems	4,742	26.19	26.85	8,909	31.81	27.44	9,503	25.52	40.06
- Ex solar PV systems	2,779	15.35	38.74	3,650	13.03	38.98	11,086	29.77	44.67
- Power distribution systems	4,347	24.01	36.99	8,315	29.69	46.54	7,275	19.53	40.25
- Other systems	441	2.43	28.98	218	0.78	24.74	2,076	5.57	37.85
Supply of related products and services	**5,798**	**32.02**	**32.20**	**6,914**	**24.69**	**32.51**	**7,303**	**19.61**	**35.93**
- Distribution of power and industrial electrical products	2,806	15.50	19.94	4,582	16.36	26.44	5,501	14.77	32.10
- Provision of technical services	2,992	16.52	76.07	2,332	8.33	59.20	1,802	4.84	56.49
Total	**18,107**	**100.00**	**32.27**	**28,006**	**100.00**	**34.22**	**37,243**	**100.00**	**40.29**

11. FINANCIAL INFORMATION *(Cont'd)*

GP and GP margin by business activities	FPE 2023			FPE 2024		
	GP RM'000	% of total GP	GP margin %	GP RM'000	% of total GP	GP margin %
Provision of industrial automation and power systems[1]	**19,714**	**76.56**	**38.61**	**25,534**	**77.93**	**38.85**
- Process control systems	6,697	26.01	34.46	6,721	20.51	32.96
- Ex solar PV systems	5,874	22.81	45.98	11,244	34.32	49.73
- Power distribution systems	5,309	20.62	37.87	6,504	19.85	31.60
- Other systems	1,834	7.12	38.01	1,065	3.25	49.72
Supply of related products and services	**6,035**	**23.44**	**40.48**	**7,231**	**22.07**	**46.00**
- Distribution of power and industrial electrical products	4,252	16.52	34.65	2,586	7.89	26.25
- Provision of technical services	1,783	6.92	67.56	4,645	14.18	79.14
Total	**25,749**	**100.00**	**39.03**	**32,765**	**100.00**	**40.23**

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11. FINANCIAL INFORMATION *(Cont'd)*

Note:

(1) The GP and GP margin breakdown by Ex systems and non-Ex systems are as follows:

	FYE 2021			FYE 2022			FYE 2023		
Provision of industrial automation and power systems	**GP RM'000**	**% of total GP**	**GP margin %**	**GP RM'000**	**% of total GP**	**GP margin %**	**GP RM'000**	**% of total GP**	**GP margin %**
Ex systems[(a)]	4,558	25.17	39.33	7,582	27.07	49.78	17,344	46.57	48.12
Non-Ex systems[(b)]	7,751	42.81	29.23	13,510	48.24	29.79	12,596	33.82	34.94
Total	**12,309**	**67.98**	**32.30**	**21,092**	**75.31**	**34.82**	**29,940**	**80.39**	**41.53**

	FPE 2023			FPE 2024		
Provision of industrial automation and power systems	**GP RM'000**	**% of total GP**	**GP margin %**	**GP RM'000**	**% of total GP**	**GP margin %**
Ex systems[(a)]	10,388	40.34	45.98	14,322	43.71	46.97
Non-Ex systems[(b)]	9,326	36.22	32.77	11,212	34.22	31.82
Total	**19,714**	**76.56**	**38.61**	**25,534**	**77.93**	**38.85**

Notes:

(a) Includes Ex solar PV systems, Ex switchracks and other systems.

(b) Includes process control systems, LV switchboards and distribution boards.

11. FINANCIAL INFORMATION *(Cont'd)*

Analysis of GP and GP margin by business activities and operational countries

Our GP and GP margin by business activities and the location of our operations based in Malaysia and foreign countries for the Financial Period Under Review and FPE 2023 are set out below:

GP and GP margin by business activities and operational countries	FYE 2021			FYE 2022			FYE 2023		
	GP	% of total GP	GP margin	GP	% of total GP	GP margin	GP	% of total GP	GP margin
	RM'000		%	RM'000		%	RM'000		%
Provision of industrial automation and power systems	**12,309**	**67.98**	**32.30**	**21,092**	**75.31**	**34.82**	**29,940**	**80.39**	**41.53**
- Malaysia operations	10,762	59.44	35.71	11,596	41.41	30.53	16,349	43.90	38.89
- Thailand operations	115	0.63	14.25	4,100	14.64	75.23	6,861	18.42	51.78
- China operations	1,146	6.33	21.30	2,964	10.58	25.28	3,455	9.28	40.24
- Singapore operations	286	1.58	16.01	2,432	8.68	44.94	3,275	8.79	39.81
Supply of related products and services	**5,798**	**32.02**	**32.20**	**6,914**	**24.69**	**32.51**	**7,303**	**19.61**	**35.93**
- Malaysia operations	4,637	25.61	38.44	5,562	19.86	33.30	5,125	13.76	36.64
- Singapore operations	737	4.07	17.24	956	3.42	30.72	1,535	4.13	29.70
- China operations	337	1.86	21.49	250	0.89	22.01	481	1.29	62.31
- Thailand operations	87	0.48	84.47	146	0.52	46.35	162	0.43	40.40
Total	**18,107**	**100.00**	**32.27**	**28,006**	**100.00**	**34.22**	**37,243**	**100.00**	**40.29**

11. FINANCIAL INFORMATION *(Cont'd)*

GP and GP margin by business activities and operational countries	FPE 2023 GP RM'000	FPE 2023 % of total GP	FPE 2023 GP margin %	FPE 2024 GP RM'000	FPE 2024 % of total GP	FPE 2024 GP margin %
Provision of industrial automation and power systems	**19,714**	**76.56**	**38.61**	**25,534**	**77.93**	**38.85**
- Malaysia operations	8,382	32.55	32.55	13,809	42.14	35.60
- Thailand operations	5,773	22.42	49.23	7,448	22.73	53.83
- China operations	3,204	12.44	40.59	1,372	4.19	25.12
- Singapore operations	2,355	9.15	41.42	2,905	8.87	38.02
Supply of related products and services	**6,035**	**23.44**	**40.48**	**7,231**	**22.07**	**46.00**
- Malaysia operations	4,341	16.86	38.91	6,156	18.79	45.74
- Singapore operations	1,186	4.61	38.33	621	1.90	45.43
- China operations	381	1.48	73.27	322	0.98	52.87
- Thailand operations	127	0.49	92.03	132	0.40	46.32
Total	**25,749**	**100.00**	**39.03**	**32,765**	**100.00**	**40.23**

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11. FINANCIAL INFORMATION *(Cont'd)*

Analysis of GP and GP margin by geographical markets

Our GP and GP margin by the location of our customers (based on customers' invoice address) for the Financial Period Under Review and FPE 2023 are set out below:

GP and GP margin by geographical markets	FYE 2021			FYE 2022			FYE 2023		
	GP RM'000	% of total GP	GP margin %	GP RM'000	% of total GP	GP margin %	GP RM'000	% of total GP	GP margin %
Malaysia	**9,812**	**54.19**	**33.49**	**11,662**	**41.64**	**33.65**	**15,976**	**42.90**	**40.69**
Foreign countries	**8,295**	**45.81**	**30.94**	**16,344**	**58.36**	**34.64**	**21,267**	**57.10**	**40.00**
- Singapore	798	4.41	10.17	6,820	24.35	50.80	8,500	22.82	46.54
- Thailand	212	1.17	23.27	3,077	10.99	53.37	7,024	18.86	51.45
- China	2,113	11.67	21.25	2,065	7.37	(6)13.76	2,333	6.26	(6)22.62
- Others	(1)5,172	28.56	63.74	(2)4,382	15.65	33.74	(3)3,410	9.16	31.19
Total	**18,107**	**100.00**	**32.27**	**28,006**	**100.00**	**34.22**	**37,243**	**100.00**	**40.29**

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11. FINANCIAL INFORMATION *(Cont'd)*

GP and GP margin by geographical markets	FPE 2023			FPE 2024		
	GP RM'000	% of total GP	GP margin %	GP RM'000	% of total GP	GP margin %
Malaysia	**8,486**	**32.96**	**33.35**	**13,948**	**42.57**	**36.55**
Foreign countries	**17,263**	**67.04**	**42.61**	**18,817**	**57.43**	**43.47**
- Singapore	5,484	21.30	46.82	6,080	18.56	40.08
- Thailand	5,900	22.91	49.72	7,579	23.13	53.67
- China	2,754	10.70	(6)30.10	1,820	5.55	(6)21.56
- Others	(4)3,125	12.13	40.12	(5)3,338	10.19	60.13
Total	**25,749**	**100.00**	**39.03**	**32,765**	**100.00**	**40.23**

Notes:

(1) Includes Ghana, Papua New Guinea, Vietnam, Indonesia, Australia, Belgium, Philippines, Ukraine, Uganda, Qatar, India, South Africa, Brunei, Germany, Norway, Hong Kong, Zambia and South Korea.

(2) Includes Papua New Guinea, Indonesia, Ghana, Philippines, Vietnam, India, Australia, Brunei, Germany, South Africa, Myanmar, South Korea and Belgium.

(3) Includes South Africa, Zambia, Indonesia, Australia, Myanmar, Philippines, Ghana, Papua New Guinea, South Korea, Türkiye, Vietnam, Uganda, Germany and India.

(4) Includes South Africa, Indonesia, Ghana, South Korea, Papua New Guinea, Philippines, Mozambique, Zambia, Türkiye, Vietnam, Uganda, Germany, Australia and Myanmar.

(5) Includes Papua New Guinea, Republic of Côte d'Ivoire, Myanmar, Ghana, United Arab Emirates, Uganda, Vietnam, Zambia, Indonesia, Brunei, Türkiye, Norway, Germany, Netherlands, UK and Australia.

11. FINANCIAL INFORMATION *(Cont'd)*

(6) The GP margin for China markets (based on location of our customers) was lower at 13.76%, 22.62%, 30.10%, and 21.56% in FYE 2022, FYE 2023, FPE 2023, and FPE 2024, as compared to the GP margin for China operations (based on the location of our operations in China) of 24.99%, 42.06%, 42.61%, and 27.91% in FYE 2022, FYE 2023, FPE 2023, and FPE 2024 respectively. This was mainly due to certain projects in China that were undertaken by our Malaysia operations, on the back of higher costs attributed to input materials purchased, freight costs and staff costs.

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Commentary on GP and GP margin

Comparison between FYE 2021 and FYE 2022

Our GP increased by 54.67% or RM9.90 million from RM18.11 million in FYE 2021 to RM28.01 million in FYE 2022, which was contributed by the increase in revenue of 45.85% in FYE 2022. Our GP margin increased from 32.27% in FYE 2021 to 34.22% in FYE 2022. The increase in GP and GP margin was contributed by the following business segments:

Provision of industrial automation and power systems

Our GP from the provision of industrial automation and power systems increased by 71.35% or RM8.78 million to RM21.09 million in FYE 2022 (FYE 2021: RM12.31 million). This was mainly due to the increase in GP from the provision of process control systems, power distribution systems, and Ex solar PV systems which are set out below:

- increase in GP from the provision of process control systems by 87.87% or RM4.17 million to RM8.91 million in FYE 2022 (FYE 2021: RM4.74 million), mainly contributed by our Malaysia and China operations, as follows:

  - increase in GP from our Malaysia operations by RM1.97 million as reflected in the increase in revenue of RM6.85 million mainly contributed by revenue recognised for the orders for PLC and MCC panel systems from an engineering company in Singapore and flour milling plant operator in Papua New Guinea; and

  - increase in GP from our China operations by RM1.82 million as reflected in the increase in revenue from this segment by RM6.35 million mainly contributed by revenue recognised from the orders for various PLC panel systems from edible oil refinery and wheat processing plant operators in China.

- increase in GP from the provision of power distribution systems by 91.28% or RM3.97 million to RM8.32 million in FYE 2022 (FYE 2021: RM4.35 million) mainly contributed by our Singapore, Malaysia and Thailand operations, as follows:

  - increase in GP from our Singapore operations by RM1.78 million as reflected in the increase in revenue from this segment by RM2.47 million mainly contributed by the revenue recognised from the order for LV switchboards and MCC panels from an EPCC company in Singapore for a utility project in Hong Kong;

  - increase in GP from our Malaysia operations by RM0.50 million as reflected in the increase in revenue from this segment by RM2.48 million. This was mainly contributed by the revenue recognised from the order for distribution boards from an EPCC company in the Philippines and orders for Ex switchracks from an engineering company in Malaysia; and

  - increase in GP from our Thailand operations by RM1.69 million as reflected in the increase in the revenue from this segment by RM1.17 million. This was mainly contributed by the revenue recognised from the orders for Ex distribution boards from an EPCC company in Thailand.

- increase in GP from the provision of Ex solar PV systems by 31.34% or RM0.87 million to RM3.65 million in FYE 2022 (FYE 2021: RM2.78 million) mainly contributed by our Thailand operations. The GP for the provision of Ex solar PV systems from our Thailand operations increased by RM2.19 million as reflected in the increase in revenue of RM3.13 million mainly attributed to revenue recognised from the orders for Ex solar PV systems from an EPCC company in Thailand.

Our GP margin from the provision of industrial automation and power systems increased from 32.30% in FYE 2021 to 34.82% in FYE 2022. This was mainly due to the increase in GP margin from the provision of power distribution systems, and Ex solar PV systems which are set out below:

- increase in GP margin from the provision of power distribution systems from 36.99% in FYE 2021 to 46.54% in FYE 2022. This was largely attributed to the increase in orders from foreign customers which were denominated in foreign currencies. In FYE 2022, our orders for LV switchboards and Ex distribution boards by our Singapore and Thailand operations respectively were associated with higher GP margins due to the appreciation of SGD and USD against RM.

- increase in GP margin from the provision of Ex solar PV systems from 38.74% in FYE 2021 to 38.98% in FYE 2022. This was mainly due to the improvement in GP margin from our Thailand operations. This was largely attributed from the orders from a customer in Thailand which were associated with higher margins due to the sales in USD which appreciated against RM.

Supply of related products and services

Our GP from the supply of related products and services increased by 19.25% or RM1.12 million to RM6.91 million in FYE 2022 (FYE 2021: RM5.80 million). This was mainly due to the increase in GP from the distribution of power and industrial electrical products by 63.29% or RM1.78 million to RM4.58 million in FYE 2022 (FYE 2021: RM2.81 million). The increase in GP from this business segment was largely attributed to the increase in GP from our Malaysia operations by RM1.56 million. This was partly due to the revenue and GP contribution from the supply of NER coupled with the revenue and GP contribution from ALR in FYE 2022 as it was acquired by SESB in January 2022.

The GP margin from the supply of related products and services increased slightly from 32.20% in FYE 2021 to 32.51% in FYE 2022. This was largely due to the increase in GP margin from the distribution of power and industrial electrical products from 19.94% in FYE 2021 to 26.44% in FYE 2022. The improvement in GP margin from our distribution segment was partly due to savings arising from bulk discount purchase of products, coupled with the appreciation in foreign currency namely GBP against RM for the sales of NER to an Indonesian customer that was denominated in GBP.

In FYE 2022, our GP to China market (based on customers' invoice address) decreased from RM2.11 million in FYE 2021 to RM2.06 million in FYE 2022, and GP margin decreased from 21.25% in FYE 2021 to 13.76% in FYE 2022. This was mainly due to certain projects in China that were undertaken by our Malaysia operations, on the back of higher costs attributed to input materials purchased, freight costs and staff costs.

Comparison between FYE 2022 and FYE 2023

Our GP increased by 32.98% or RM9.24 million from RM28.01 million in FYE 2022 to RM37.24 million in FYE 2023, which was contributed by the increase in revenue of 12.93% in FYE 2022. Our GP margin improved from 34.22% in FYE 2022 to 40.29% in FYE 2023. The increase in GP and GP margin was contributed by the following business segments:

Provision of industrial automation and power systems

Our GP from the provision of industrial automation and power systems increased by 41.95% or RM8.85 million to RM29.94 million in FYE 2023 (FYE 2022: RM21.09 million). This was mainly due to the increase in GP from the provision of Ex solar PV systems, other systems and process control systems which are set out below:

- increase in GP from the provision of Ex solar PV systems by 203.73% or RM7.44 million to RM11.09 million in FYE 2023 (FYE 2022: RM3.65 million), mainly contributed by our Malaysia and Thailand operations, as follows:

    - increase in GP from our Malaysia operations by RM4.13 million as reflected in the increase in revenue from this segment by RM9.41 million. This was mainly contributed by increase in revenue recognised from the orders for Ex solar PV systems from EPCC companies in Malaysia; and

    - increase in GP from our Thailand operations by RM3.32 million as reflected in the increase in revenue of RM6.09 million. This was mainly contributed by increase in revenue recognised from the orders for Ex solar PV systems from an EPCC company in Thailand.

- increase in GP from the provision of other system by 852.29% or RM1.86 million to RM2.08 million in FYE 2023 (FYE 2022: RM0.22 million), mainly contributed by our Malaysia operations. This was reflected in the increase in revenue from Malaysia operations by RM4.27 million attributed mainly by the revenue recognised from the sales orders for diesel-powered generator systems from an EPCC company in Malaysia.

- increase in GP from the provision of process control systems by 6.67% or RM0.59 million to RM9.50 million in FYE 2023 (FYE 2022: RM8.91 million), mainly contributed by our Malaysia and China operations, as follows:

    - increase in GP from our Malaysia operations by RM0.55 million, despite the decrease in revenue by RM3.35 million. The improvement in GP was mainly due to the revenue recognised for our orders denominated in foreign currency, namely USD and SGD, which appreciated against RM, while material costs which were mainly denominated in RM. The improvement in GP was also partly contributed by certain projects secured at higher prices during FYE 2023.

- increase in GP from our China operations by RM0.49 million, despite the decrease in revenue by RM3.14 million. The improvement in GP was mainly due to the lower cost incurred on components namely PLCs arising from bulk purchases in prior years. The lower cost was also reflected in the proportion of cost against revenue which decreased from 74.72% in FYE 2022 to 59.76% in FYE 2023.

Our GP margin from the provision of industrial automation and power systems increased from 34.82% in FYE 2022 to 41.53% in FYE 2023. This was mainly due to the increase in GP margin from the provision of process control systems, Ex solar PV systems, and other systems which are set out below:

- increase in GP margin from the provision of process control systems from 27.44% in FYE 2022 to 40.06% in FYE 2023. This was mainly due to the improvement in GP margin from our China and Malaysia operations. The improvement in GP margin from our China operations was mainly due to the lower cost incurred on components namely PLCs arising from bulk purchases in prior years. The improvement in GP margin from our Malaysia operations was partly due to our sales orders that are denominated in foreign currency, namely USD and SGD, which appreciated against RM in FYE 2023.

- increase in GP margin from the provision of Ex solar PV systems from 38.98% in FYE 2022 to 44.67% in FYE 2023. This was mainly due to the improvement in GP margin from our Malaysia operations. This was partly due to different pricing strategy for the supply of systems to different customers in the two financial periods. In FYE 2022, the orders secured were made through an online tender bidding process which requires a more competitive pricing strategy, thus resulting in a lower GP margin. Meanwhile, in FYE 2023, the orders secured was through request for quotation by the customer.

- increase in GP margin from the provision of other systems from 24.74% in FYE 2022 to 37.85% in FYE 2023. This was mainly due to the improvement in GP margin for the provision of other system from our Malaysia operations mainly attributed to the order for customised Ex equipment to a customer in Malaysia that was associated with a higher margin.

In addition, in terms of foreign operations, the GP margin from the provision of industrial automation and power systems from China operations improved from 25.28% in FYE 2022 to 40.24% in FYE 2023. This was mainly due to the lower cost incurred on components namely PLCs arising from bulk purchases in prior years for the provision of process control system.

Supply of related products and services

Our GP from the supply of related products and services increased by 5.63% or RM0.39 million to RM7.30 million in FYE 2023 (FYE 2022: RM6.91 million). This was mainly due to the increase in GP from the distribution of power and industrial electrical products by 20.06% or RM0.92 million to RM5.50 million in FYE 2023 (FYE 2022: RM4.58 million). This was despite the decrease in revenue from the distribution segment by RM0.19 million in FYE 2023. The improvement in GP was mainly due to the decrease in cost of sales by RM1.11 million as the material costs were lower resulting from bulk purchase discounts. The improvement in GP was also partly due to the revenue recognised for our sales orders for NER which is denominated in GBP which appreciated against RM in FYE 2023.

Our GP margin recorded an improvement from 32.51% in FYE 2022 to 35.93% in FYE 2023. This was mainly due to the improvement in GP margin from our distribution of power and industrial electrical products segment from 26.44% in FYE 2022 to 32.10% in FYE 2023 mainly due to savings arising from bulk volume purchase discount for certain trading products, namely IDEC's industrial automation and process control devices and NOVARIS's electrical surge protection products.

Comparison between FPE 2023 and FPE 2024

Our GP increased by 27.25% or RM7.02 million from RM25.75 million in FPE 2023 to RM32.77 million in FPE 2024, which was contributed by the increase in revenue of 23.47%. Our GP margin improved from 39.03% in FPE 2023 to 40.23% in FPE 2024. The increase in GP and GP margin was contributed by the following business segments:

Provision of industrial automation and power systems

Our GP from the provision of industrial automation and power systems increased by 29.52% or RM5.82 million to RM25.53 million in FPE 2024 (FPE 2023: RM19.71 million). This was mainly due to the increase in GP from the provision of Ex solar PV systems, and power distribution systems which are set out below:

- increase in GP from the provision of Ex solar PV systems by 91.42% or RM5.37 million to RM11.24 million in FPE 2024 (FPE 2023: RM5.87 million) mainly contributed by our Malaysia operations. The GP for the provision of Ex solar PV systems from our Malaysia operations increased by RM4.01 million mainly driven by GP derived from the orders for Ex solar PV systems from EPCC and engineering companies in Malaysia.

- increase in GP from the provision of power distribution systems by 22.51% or RM1.19 million to RM6.50 million in FPE 2024 (FPE 2023: RM5.31 million) mainly contributed by our Malaysia operations. The GP for the provision of power distribution systems from our Malaysia operations increased by RM1.92 million mainly driven by GP derived from the order for LV switchboards from an EPCC company for a power generation plant in Kedah, and orders for Ex switchracks from an EPCC company in Malaysia.

Our GP margin from the provision of industrial automation and power systems segment increased from 38.61% in FPE 2023 to 38.85% in FPE 2024. This mainly due to the increase in GP margin from the provision of Ex solar PV systems from 45.98% in FPE 2023 to 49.73% in FPE 2024. This was mainly attributed to orders from an EPCC company from our Malaysia operations for hybrid Ex solar PV systems with wind turbine that was associated with a higher margin. The improvement in GP margin from the provision of Ex solar PV systems was also partly attributed to orders from our Thailand operations which were associated with higher margins due to the sales in USD which appreciated against RM.

The improvement in GP margin from the provision of industrial automation and power systems segment was moderated by the decrease in GP margin from the process control system and power distribution system segments, which were mainly due to the following:

- decrease in GP margin from the process control system from 34.46% in FPE 2023 to 32.96% in FPE 2024. This was mainly due to the decrease in GP margin from our China operations largely attributed to the decrease in its revenue from process control system by 30.82% due to lower orders which outpaced the decrease in cost of sales by 12.82% in FPE 2024. In addition, the decrease in GP margin was partly due to higher labour costs from our China operations and lower savings on component costs, particularly PLCs. In the previous year, bulk purchases of PLCs contributed to lower cost incurred, however, in FPE 2024, the PLCs were procured at market prices.

- decrease in GP margin from power distribution system from 37.87% in FPE 2023 to 31.60% in FPE 2024. This was mainly due to the decrease in GP margin from our Singapore operations largely attributed to the order from an engineering company for LV switchboard which were associated with a lower margin due to lower selling price.

In addition, in terms of foreign operations, the GP margin from the provision of industrial automation and power systems from Thailand and China operations were mainly due to the following:

- GP margin from the provision of industrial automation and power systems from Thailand operations improved from 49.23% in FPE 2023 to 53.83% in FPE 2024. This was mainly due to the improvement in GP margin from the provision of Ex solar PV systems from our Thailand operations which were associated with higher margins due to the sales in USD which appreciated against RM.

- GP margin from the provision of industrial automation and power systems from China operations decreased from 40.59% in FPE 2023 to 25.12% in FPE 2024. This was mainly due to the decrease in its revenue from process control system by 30.82% which outpaced the decrease in its cost of sales by 12.82% in FPE 2024, as mentioned above.

Supply of related products and services

Our GP from supply of related products and services increased by 19.82% or RM1.20 million to RM7.23 million in FPE 2024 (FPE 2023: RM6.03 million). This was mainly due to the increase in GP from the provision of technical services by 160.52% or RM2.86 million to RM4.64 million in FPE 2024 (FPE 2023: RM1.78 million). This was largely attributed to the increase in GP from the provision of technical services for our Malaysia operations by RM3.03 million, in line with the increase in its revenue. As discussed above, in FPE 2024, there were additional service orders from customers for our Malaysia operations to carry out maintenance, repair and troubleshooting works, and electrical installation supervision works.

The increase in GP from this segment was partially offset by the decrease in GP from the distribution of power and industrial electrical products segment by 39.18% or RM1.66 million, in line with the decrease in its revenue by 19.71% or RM2.42 million. This was mainly attributed to the decrease in GP from our Malaysia operations by RM1.22 million and Singapore operations by RM0.56 million on the back of decreased revenue and orders during the financial period.

Our GP margin from the supply of related products and services increased to 46.00% in FPE 2024 (FPE 2023: 40.48%). This was mainly contributed by the improvement in GP margin of the provision of technical services to 79.13% in FPE 2024 (FPE 2023: 67.56%) driven by the higher GP margin from the maintenance and technical services rendered to customers in Malaysia.

In addition, in terms of foreign operations, the GP margin from the supply of related products and services from Malaysia and Singapore operations were mainly due to the following:

- GP margin from the supply of related products and services from Malaysia operations improved from 38.91% in FPE 2023 to 45.74% in FPE 2024. This was mainly due to the higher GP contribution from the provision of technical services segment which has higher GP margins. As discussed above, in FPE 2024, there were additional service orders from customers for our Malaysia operations to carry out maintenance, repair and troubleshooting works, and electrical installation supervision works which contributed to higher revenue and GP in FPE 2024.

- GP margin from the supply of related products and services from Singapore operations improved from 38.33% in FPE 2023 to 45.43% in FPE 2024. This was mainly due to the improvement in GP margin from the sales of NER largely attributed to the orders to customers in Singapore in FPE 2024 which were associated with higher margins.

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11. FINANCIAL INFORMATION *(Cont'd)*

(d) Finance income and other income

The breakdown of our finance income and other income are as follows:

	FYE 2021		FYE 2022		FYE 2023		FPE 2023		FPE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Finance income	**64**	**5.57**	**66**	**6.29**	**114**	**11.50**	**69**	**7.85**	**48**	**9.18**
Other income	**1,085**	**94.43**	**983**	**93.71**	**877**	**88.50**	**810**	**92.15**	**475**	**90.82**
- Government grants	64	5.57	1	0.09	288	29.06	288	32.76	8	1.53
- Amortisation of government grants	-	-	-	-	(1)188	18.97	(1)141	16.04	(1)(2)199	38.05
- Reversal of bad debts	-	-	133	12.68	288	29.06	288	32.76	-	-
- Gain on disposal of PPE and ROU assets	80	6.96	52	4.96	31	3.13	31	3.53	54	10.32
- Gain on disposal of shares in subsidiaries	-	-	612	58.34	-	-	-	-	-	-
- Unrealised gain on foreign exchange	347	30.20	60	5.72	-	-	-	-	32	6.12
- Others(3)	594	51.70	125	11.92	82	8.28	62	7.06	182	34.80
Total	**1,149**	**100.00**	**1,049**	**100.00**	**991**	**100.00**	**879**	**100.00**	**523**	**100.00**

Notes:

(1) Include the amortisation of government grant income that was received from MIDA in FYE 2023 totalling RM0.94 million for the purchase of machineries, computers and peripherals. The grant is amortised over the useful life of the PPE of 5 years.

(2) Include the amortisation of government grant income of RM0.06 million pertaining to partial government grant received of RM0.20 million in FPE 2024 from Malaysia Digital Economy Corporation Sdn Bhd ("**MDEC**") namely the Malaysia Digital Acceleration Grant for the compensation of certain eligible expenses incurred for our projects.

(3) Include mainly gains on disposal of production scrap and sundry income. It also includes wage subsidy of RM0.33 million in FYE 2021, and labour service back charge to a supplier in FYE 2021 and FPE 2024. In FPE 2024, it also includes discount received from supplier for purchase of machinery, and sponsorship from principals for exhibition expenses.

Comparison between FYE 2021 and FYE 2022

Our other income decreased by 9.40% or RM0.10 million, mainly due to the decrease in wage subsidy of RM0.33 million from the Government as part of the COVID-19 economic stimulus package in FYE 2021. We did not receive any wage subsidy in FYE 2022. In addition, the decrease in other income was also due to the decrease in unrealised gains on foreign exchange.

The decrease in other income was partially offset by the increase in gains on disposal of shares in subsidiaries amounting to RM0.61 million relating to the disposal of Swift Transformer Sdn Bhd and Swift Energy Limited on 20 September 2022. Additionally, in FYE 2022, there was a reversal of bad debts totalling RM0.13 million relating to bad debts collected from an EPCC company in Malaysia.

Comparison between FYE 2022 and FYE 2023

Our finance income increased by 72.73% or RM0.05 million, mainly due to the interest from fixed deposits placed with licensed banks.

Our other income decreased by 10.78% or RM0.11 million, mainly due to decrease in gains on disposal of shares in subsidiaries of RM0.61 million as mentioned above. In FYE 2023, there were no gains from disposal of shares in subsidiaries. The decrease was partially offset by an increase in government grant income by RM0.48 million arising from grant income received from MATRADE of RM0.29 million relating to the reimbursement of export logistic expenses, and amortisation of grant income from MIDA of RM0.19 million. In FYE 2023, we received a grant from MIDA totalling RM0.94 million relating to the purchase of machineries, computer and peripherals. The grant is amortised over the useful life of the PPE of 5 years. In addition, there was an increase in reversal of bad debts of RM0.16 million mainly relating to collection of bad debts from several customers.

Comparison between FPE 2023 and FPE 2024

Our finance income decreased by 30.43% or RM0.02 million due to the decrease in interest income in FPE 2024 as there were lower fixed deposits pledged in FPE 2024.

Our other income decreased by 41.36% or RM0.34 million, mainly due to the decrease in government grant by RM0.28 million in FPE 2024. The decrease was partially offset by an increase in other income pertaining to discount received from supplier for purchase of machinery of RM0.05 million, and sponsorship from principals for exhibition expenses of RM0.03 million.

11. FINANCIAL INFORMATION *(Cont'd)*

(e) Selling and distribution expenses

The breakdown of our selling and distribution expenses are as follows:

	FYE 2021		FYE 2022		FYE 2023		FPE 2023		FPE 2024	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Sales commission	437	100.00	888	100.00	1,027	100.00	842	100.00	894	100.00
Total	**437**	**100.00**	**888**	**100.00**	**1,027**	**100.00**	**842**	**100.00**	**894**	**100.00**

Comparison between FYE 2021 and FYE 2022

Our selling and distribution expenses increased by 103.20% or RM0.45 million in FYE 2022, mainly due to the increase in sales commission to our sales and marketing employees which is in line with the increase in our revenue by 45.85% for FYE 2022.

Comparison between FYE 2022 and FYE 2023

Our selling and distribution expenses increased by 15.65% or RM0.14 million in FYE 2023, mainly due to the increase in sales commission to our sales and marketing employees which is in line with the increase in our revenue by 12.93% for FYE 2023.

Comparison between FPE 2023 and FPE 2024

Our selling and distribution expenses increased by 6.18% or RM0.05 million in FPE 2024, mainly due to the increase in sales commission to our sales and marketing employees.

11. FINANCIAL INFORMATION *(Cont'd)*

(f) Administrative expenses

The breakdown of our administrative expenses are as follows:

	FYE 2021		FYE 2022		FYE 2023		FPE 2023		FPE 2024	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Staff salaries and other related costs	7,763	67.71	10,786	71.65	13,242	72.36	9,448	71.61	10,709	66.20
Directors' fees and remuneration	1,177	10.27	1,422	9.45	1,744	9.53	1,355	10.27	1,557	9.62
Others[(1)]	2,524	22.02	2,846	18.90	3,314	18.11	2,391	18.12	3,911	24.18
Total	**11,464**	**100.00**	**15,054**	**100.00**	**18,300**	**100.00**	**13,194**	**100.00**	**16,177**	**100.00**

Note:

(1) Others include mainly travelling expenses, bank charges, rental expenses, audit fee, utility expenses, professional fees (such as secretarial fee, tax agent fee, corporate, legal advisory, property valuation, and certification fee), upkeep and repair of PPE expenses, security services, insurance expenses, office expenses, R&D expenses, penalty fees relating to late payment of employee contribution in 2015 to 2022, GST payable, stamp duty, and legal fees.

Comparison between FYE 2021 and FYE 2022

In FYE 2022, our administrative expenses increased by 31.32% or RM3.59 million mainly due to the following:

- increase in staff salaries and other related costs by 38.94% or RM3.02 million arising from the increase in the number of employees, coupled with the increment in staff salaries. Our number of employees increased from 126 personnel as at FYE 2021 to 133 personnel as at FYE 2022;

- increase in other administrative expenses by 12.76% or RM0.32 million mainly due to the increase in professional fee by RM0.13 million largely attributed to corporate and legal advisory, and property valuation, and upkeep and repair of PPE expenses by RM0.12 million; and

- increase in directors' fees and remuneration by 20.82% or RM0.25 million arising from the increase in directors' salary.

Comparison between FYE 2022 and FYE 2023

In FYE 2023, our administrative expenses increased by 21.56% or RM3.25 million mainly due to the following:

- increase in staff salaries and other related costs by 22.77% or RM2.46 million arising from the increase in the number of employees, coupled with the increment in staff salaries. Our number of employees increased from 133 personnel as at FYE 2022 to 137 personnel as at FYE 2023;

- increase in other administrative expenses by 16.44% or RM0.47 million mainly due to the increase in professional fee of RM0.21 million largely due to secretarial fees, upkeep and repair of PPE expenses of RM0.16 million, and registration and license fees of RM0.12 million; and

- increase in directors' fees and remuneration by 22.64% or RM0.32 million mainly due to the increment in directors' salary.

Comparison between FPE 2023 and FPE 2024

In FPE 2024, our administrative expenses increased by 22.61% or RM2.98 million mainly due to the following:

- increase in staff salaries and other related costs by 13.35% or RM1.26 million arising from the increase in the number of employees, coupled with the increment in staff salaries. Our number of employees increased from 141 personnel as at 30 June 2023 to 148 personnel as at 30 June 2024;

- increase in other administrative expenses by 63.57% or RM1.52 million mainly due to the increase in professional fees, legal fees, certification expenses, travelling expenses and withholding tax expenses; and

- increase in directors' fees and remuneration by 14.91% or RM0.20 million mainly due to the increment in directors' salary.

11. FINANCIAL INFORMATION *(Cont'd)*

(g) Other expenses and net loss/(reversal) on impairment on financial instrument and contract assets

The breakdown of our other expenses and net loss/(reversal) on impairment on financial instrument and contract assets are as follows:

	FYE 2021		FYE 2022		FYE 2023		FPE 2023		FPE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Other expenses	**1,543**	**100.00**	**2,482**	**100.00**	**3,251**	**100.00**	**1,940**	**100.00**	**1,812**	**100.00**
Depreciation of PPE and ROU	924	59.88	1,129	45.49	1,383	42.54	989	50.98	902	49.78
Professional fees	-	-	963	38.80	1,431	44.02	809	41.70	770	42.49
Realised loss on foreign currency exchange	557	36.10	119	4.79	115	3.54	83	4.28	140	7.73
Unrealised loss on foreign currency exchange	-	-	-	-	142	4.37	59	3.04	-	-
Sundry expenses[(1)]	62	4.02	271	10.92	180	5.53	-	-	-	-
Net loss/(reversal) on impairment on financial instrument and contract assets	**1,237**	**100.00**	**366**	**100.00**	**110**	**100.00**	**13**	**100.00**	**(774)**	**100.00**
Impairment of bad debts	1,237	100.00	366	100.00	386	350.91	13	100.00	26	3.36
Reversal of impairment of bad debts	-	-	-	-	(276)	(250.91)	-	-	(800)	(103.36)

Note:

(1) Includes upkeep and repair of furniture and fittings, and software, exhibition expenses, cleaning and sanitisation expenses, and entertainment expenses in FYE 2021, FYE 2022 and FYE 2023. In FPE 2023 and FPE 2024, there are no sundry expenses incurred.

Comparison between FYE 2021 and FYE 2022

In FYE 2022, our other expenses increased by 60.86% or RM0.94 million mainly due to the following:

- increase in professional fees of RM0.96 million in relation to our IPO exercise;
- increase in depreciation of PPE and ROU of RM0.21 million due to the purchase of plant and machinery and
- increase in sundry expenses of RM0.21 million mainly due to exhibition expenses, and upkeep and repair of furniture and fittings.

The increase was partially offset by a decrease in realised loss on foreign currency exchange by 78.64% or RM0.44 million in FYE 2022. In FYE 2021, the higher realised loss on foreign exchange of RM0.56 million was mainly attributed to the repayment of an overdue trade payables which was denominated in SGD.

In FYE 2022, the net loss on impairment of financial instrument decrease by 70.41% or RM0.87 million due to lower impairment of bad debts in FYE 2022. In FYE 2021, there was impairment of bad debts of RM1.24 million relating to amount owing from a Malaysian construction company, namely Bina Puri Sdn Bhd of RM0.95 million, and a Malaysian EPCC company of RM0.29 million. In FYE 2022, there were impairment of bad debts of RM0.37 million relating to a Malaysian EPCC company of RM0.30 million and a Chinese processing plant company of RM0.06 million.

Comparison between FYE 2022 and FYE 2023

In FYE 2023, our other expenses increased by 30.98% or RM0.77 million mainly due to the following:

- increase in professional fees of RM0.47 million in relation to our IPO exercise;
- increase in depreciation of PPE and ROU of RM0.25 million mainly due to the purchases of motor vehicle and software; and
- recognition of unrealised loss on foreign currency exchange of RM0.14 million mainly due to the unrealised foreign exchange loss from our bank account denominated in USD arising from foreign currency difference between transaction date and closing date.

Comparison between FPE 2023 and FPE 2024

In FPE 2024, our other expenses decreased by 6.60% or RM0.13 million mainly due to the decrease in depreciation of PPE and ROU of RM0.09 million, decrease in unrealised loss on foreign exchange of RM0.06 million, and decrease in professional fees of RM0.04 million.

In FPE 2024, we recorded a net reversal on impairment on financial instruments and contract assets of RM0.77 million due to the reversal of impairment of bad debts of RM0.80 million relating to amount owing from a Malaysian construction company, namely Bina Puri Sdn Bhd. The reversal of impairment of bad debts was due to the consent judgment entered into with the said customer in May 2024. Please refer to Section 11.3.5 of this Prospectus for further details on this material litigation.

(h) Finance costs

The breakdown of our finance costs are as follows:

	FYE 2021		FYE 2022		FYE 2023		FPE 2023		FPE 2024	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Interest expense on:										
- Term loan	467	80.94	478	68.09	775	73.04	446	63.17	667	70.51
- Bankers' acceptances	60	10.40	101	14.39	194	18.29	192	27.20	236	24.95
- Trade finance	26	4.50	16	2.28	-	-	-	-	-	-
- Hire purchase	24	4.16	35	4.99	55	5.18	43	6.09	33	3.49
- Lease interest	-	-	13	1.85	33	3.11	21	2.97	10	1.05
- Handling interest	-	-	59	8.40	4	0.38	4	0.57	-	-
Total	**577**	**100.00**	**702**	**100.00**	**1,061**	**100.00**	**706**	**100.00**	**946**	**100.00**

Comparison between FYE 2021 and FYE 2022

In FYE 2022, our finance costs increased by 21.66% or RM0.13 million, mainly due to the increase in interest expenses on bankers' acceptances of RM0.04 million due to higher utilisation of our facilities coupled with higher interest rates in FYE 2022. Additionally, we incurred handling interest of RM0.06 million in FYE 2022 due to the issuance of banks' performance guarantee.

Comparison between FYE 2022 and FYE 2023

In FYE 2023, our finance costs increased by 51.14% or RM0.36 million, mainly due to the increase in interest expenses on term loan of RM0.30 million mainly due to the drawdown of new term loan for working capital purposes coupled with the increase in interest rates, and bankers' acceptances of RM0.09 million due to the increase in its utilisation for the purchases of materials coupled with the increase in effective interest rates in FYE 2023.

Comparison between FPE 2023 and FPE 2024

In FPE 2024, our finance costs increased by 33.99% or RM0.24 million, mainly due to the increase in interest expenses on term loan of RM0.22 million mainly due to the drawdown of new term loan coupled with the increase in interest rates. In addition, our interest expenses on bankers' acceptances increased by RM0.04 million due to the increase in its utilisation for the purchases of materials.

(i) PBT, PBT margin, PAT and PAT margin

	FYE 2021	FYE 2022	FYE 2023	FPE 2023	FPE 2024
PBT (RM'000)	3,998	9,563	14,485	9,933	14,233
PBT margin (%)	7.12	11.68	15.67	15.06	17.48
PAT (RM'000)	3,658	8,204	12,199	8,302	11,681
PAT margin (%)	6.52	10.02	13.20	12.59	14.34

Comparison between FYE 2021 and FYE 2022

Our PBT increased by 139.19% or RM5.56 million to RM9.56 million in FYE 2022 (FYE 2021: RM4.00 million), which was mainly contributed by the increase in our total GP by 54.67% or RM9.90 million to RM28.01 million in FYE 2022 (FYE 2021: RM18.11 million). The increase in GP was contributed by the provision of process control systems, power distribution systems, and Ex solar PV systems, as well as distribution of power and industrial electrical products. The increase in PBT was also partly due to the decrease in net loss on impairment of financial instruments by RM0.87 million in FYE 2022.

Our PBT margin increased from 7.12% in FYE 2021 to 11.68% in FYE 2022, partly attributed to the increase in our GP margin from 32.27% in FYE 2021 to 34.22% in FYE 2022. Please refer to Section 11.2.3(c) of the Prospectus for further details on the increase in our GP margin. The improvement in PBT margin was also partly due to the decrease in the proportion of administrative expenses from 20.43% against total revenue in FYE 2021 to 18.39% against total revenue in FYE 2022.

Correspondingly, our PAT increased by 124.28% or RM4.55 million and our PAT margin improved from 6.52% in FYE 2021 to 10.02% in FYE 2022.

Comparison between FYE 2022 and FYE 2023

Our PBT increased by 51.47% or RM4.92 million to RM14.49 million in FYE 2023 (FYE 2022: RM9.56 million), which was mainly contributed by the increase in our total GP by 32.98% or RM9.24 million to RM37.24 million in FYE 2023 (FYE 2022: RM28.01 million). The increase in GP was contributed by the provision of Ex solar PV systems, other systems and process control systems, as well as distribution of power and industrial electrical products.

Our PBT margin increased from 11.68% in FYE 2022 to 15.67% in FYE 2023, mainly due to the increase in our GP margin from 34.22% in FYE 2022 to 40.29% in FYE 2023. Please refer to Section 11.2.3(c) of the Prospectus for further details on the increase in our GP margin.

Correspondingly, our PAT increased by 48.70% or RM3.99 million and our PAT margin improved from 10.02% in FYE 2022 to 13.20% in FYE 2023.

Comparison between FPE 2023 and FPE 2024

Our PBT increased by 43.29% or RM4.30 million to RM14.23 million in FPE 2024 (FPE 2023: RM9.93 million), which was mainly contributed by the increase in our total GP by 27.25% or RM7.02 million to RM32.77 million in FPE 2024 (FPE 2023: RM25.75 million). The increase in GP was mainly attributed to the provision of Ex solar PV systems, power distribution systems, and technical services segment. The increase in PBT was also partly due to the increase in net reversal on impairment of financial instruments and contract assets of RM0.77 million arising from reversal of impairment of bad debts relating to amount owing from a Malaysian construction company in FPE 2024.

Our PBT margin increased from 15.06% in FPE 2023 to 17.48% in FPE 2024, mainly due to the increase in our GP margin from 39.03% in FPE 2023 to 40.23% in FPE 2024. Please refer to Section 11.2.3(c) of the Prospectus for further details on the increase in our GP margin.

Correspondingly, our PAT increased by 40.70% or RM3.99 million and our PAT margin improved from 12.59% in FPE 2023 to 14.34% in FPE 2024.

(j) Income tax expense

	FYE 2021	FYE 2022	FYE 2023	FPE 2023	FPE 2024
Income tax expense (RM'000)	340	1,359	2,286	1,631	2,552
Effective tax rate (%)	8.50	14.21	15.78	16.42	17.93
Statutory tax rate (%)	24.00	24.00	24.00	24.00	24.00

FYE 2021

For FYE 2021, our effective tax rate was 8.50%, which was lower than the statutory tax rate of Malaysia of 24.00%. This was mainly attributed to the tax effect of the following which reduced income tax expense:

- utilisation of previously unrecognised deferred tax assets of RM0.44 million;
- non-taxable income of RM0.25 million comprising mainly profit arising from inter-company adjustment;
- effect of lower tax rate for the first RM600,000 at 17% for our subsidiaries in Malaysia of RM0.10 million;
- over provision of tax in the prior year of RM0.09 million; and
- effects of tax rates in foreign jurisdictions of RM0.01 million.

These were partially offset by the tax effects from deferred tax assets not recognised and non-deductible expenses, which increased our income tax expense by RM0.15 million and RM0.12 million respectively.

FYE 2022

For FYE 2022, our effective tax rate was 14.21%, which was lower than the statutory tax rate of Malaysia of 24.00%. This was mainly attributed to the tax effect of the following which reduced income tax expense:

- utilisation of previously unrecognised deferred tax assets of RM0.75 million;
- effect of lower tax rate for the first RM600,000 at 17% for our subsidiaries in Malaysia of RM0.26 million;
- non-taxable income of RM0.18 million comprising mainly revenue generated from the export of goods and services by Chongqing Swift China;
- effects of tax rates in foreign jurisdictions of RM0.06 million; and
- over provision of tax in the prior year of RM0.03 million.

These were partially offset by the tax effects from non-deductible expenses and deferred tax assets not recognised, which increased income tax expense by RM0.32 million and RM0.02 million respectively.

FYE 2023

For FYE 2023, our effective tax rate was 15.78%, which was lower than the statutory tax rate of Malaysia of 24.00%. This was mainly attributed to the tax effect of the following which reduced income tax expense:

- utilisation of previously unrecognised deferred tax assets of RM0.55 million;
- over provision of tax in the prior year of RM0.28 million;
- effect of lower tax rate for the first RM150,000 at 15% and the next RM150,001 to RM600,000 at 17% for our subsidiaries in Malaysia of RM0.24 million;
- effects of tax rates in foreign jurisdictions of RM0.22 million; and
- non-taxable income of RM0.02 million.

These were partially offset by the tax effects from non-deductible expenses and deferred tax assets not recognised, which increased income tax expense by RM0.09 million and RM0.03 million respectively.

FPE 2024

For the FPE 2024, our effective tax rate was 17.93%, which was lower than the statutory tax rate of Malaysia of 24.00%. This was mainly attributed to the tax effect of the following which reduced income tax expenses:

- over provision of tax in the prior year of RM0.56 million;
- non-taxable income of RM0.31 million;
- effect of lower tax rate for the first RM150,000 at 15% and the next RM150,001 to RM600,000 at 17% for our subsidiaries in Malaysia of RM0.22 million;
- utilisation of previously unrecognised deferred tax assets of RM0.06 million; and

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- effects of tax rates in foreign jurisdictions of RM0.02 million.

These were partially offset by the tax effects from non-deductible expenses which increased income tax expense by RM0.32 million.

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11.2.4 Review of financial position

(a) Assets

	As at 30 September			As at 30 June
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
ASSETS				
Non-current assets				
PPE	21,395	22,579	22,880	22,554
ROU assets	463	2,247	1,829	2,042
Deferred tax assets	75	371	631	279
Total non-current assets	**21,933**	**25,197**	**25,340**	**24,875**
Current assets				
Inventories	11,685	16,610	15,149	16,397
Trade and other receivables	12,329	22,505	16,830	24,489
Contract assets	12,064	19,664	22,637	32,327
Prepayments	5,311	1,345	672	542
Current tax assets	1,256	1,326	664	866
Deposits placed with licensed banks	3,764	2,513	2,570	2,570
Cash and cash equivalents	8,413	9,186	13,836	8,487
Total current assets	**54,822**	**73,149**	**72,358**	**85,678**
TOTAL ASSETS	**76,755**	**98,346**	**97,698**	**110,553**

Comparison between 30 September 2021 and 30 September 2022

Non-current assets

Our non-current assets increased by RM3.26 million from RM21.93 million as at 30 September 2021 to RM25.20 million as at 30 September 2022. This was mainly due to the increase in ROU assets by RM1.78 million arising mainly from the increase in lease liabilities of RM2.39 million due to the purchase of plant and machinery of RM1.50 million comprising 1 unit of CNC milling machine, 1 unit of CNC laser cutting machine, and 1 unit of passenger car, as well as renewal of lease agreements of RM0.89 million comprising the renewal of the tenancy for our offices and hostel. This was offset by the depreciation charges of RM0.56 million during the financial period.

This was also partly attributed to an increase in PPE by RM1.18 million arising mainly from the purchases of PPE of RM2.30 million comprising mainly plant, machinery and equipment of RM1.12 million, computer and peripherals of RM0.63 million, furniture, fittings and office equipment of RM0.29 million, and renovations of RM0.26 million.

This was partially offset by the following:

- depreciation charges on PPE of RM0.75 million in FYE 2021;
- disposal of PPE with net book value of RM0.21 million; and

- disposal of subsidiaries namely Swift Transformer Sdn Bhd and Swift Energy Limited which comprises PPE with a net book value of RM0.19 million.

Current assets

Our current assets increased by RM18.33 million from RM54.82 million as at 30 September 2021 to RM73.15 million as at 30 September 2022, mainly due to the following:

- increase in trade receivable balances by RM8.58 million mainly contributed by higher sales and billings in the last quarter of FYE 2022 compared to the corresponding period in FYE 2021;

- increase in contract assets by RM7.60 million mainly due to an increase in unbilled progress payments in line with the increase in revenue in the last quarter of FYE 2022;

- increase in inventories by RM4.93 million mainly due to the increase in materials balances from RM9.43 million as at 30 September 2021 to RM13.01 million as at 30 September 2022 in view of the increase in orders from customers, coupled with bulk purchases of certain components such as PLC; and

- increase in other receivables by RM1.63 million.

This was partially offset by the decrease in prepayments by RM3.97 million and deposits placed with licensed banks by RM1.25 million.

Comparison between 30 September 2022 and 30 September 2023

Non-current assets

Our non-current assets increased by RM0.14 million from RM25.20 million as at 30 September 2022 to RM25.34 million as at 30 September 2023. This was mainly due to the increase in PPE by RM0.30 million arising mainly from the purchases of PPE of RM1.19 million comprising mainly computer and peripherals of RM0.48 million, renovations of RM0.48 million for our head office in Shah Alam, plant, machinery and equipment of RM0.12 million, as well as furniture, fittings and office equipment of RM0.10 million.

The increase in non-current assets was also partly due to the increase in deferred tax assets of RM0.26 million.

This was partially offset by the following:

- decrease in ROU assets of RM0.42 million arising from depreciation charges of ROU assets; and

- depreciation charges for PPE of RM0.89 million in FYE 2023.

Current assets

Our current assets decreased by RM0.79 million from RM73.15 million as at 30 September 2022 to RM72.36 million as at 30 September 2023, mainly due to the following:

- decrease in trade receivables by RM3.45 million mainly contributed by lower billings in the last quarter of FYE 2023 compared to the corresponding period in FYE 2022;

- decrease in other receivables by RM2.15 million mainly due to lesser prepayment to supplier for purchases of materials in FYE 2023;

- decrease in inventories by RM1.46 million mainly due to the decrease in materials balances, namely PLC, by Chongqing Swift China in view of the utilisation of stock;

- decrease in prepayments by RM0.67 million; and

- decrease in current tax assets by RM0.66 million.

This was partially offset by an increase in cash and cash equivalents by RM4.65 million and increase in contract assets by RM2.97 million.

Comparison between 30 September 2023 and 30 June 2024

Non-current assets

Our non-current assets decreased by RM0.47 million from RM25.34 million as at 30 September 2023 to RM24.87 million as at 30 June 2024. This was mainly due to the decrease in PPE by RM0.33 million mainly due to depreciation charges for PPE in FPE 2024, as well as decrease in deferred tax assets by RM0.35 million.

This was partially offset by the increase in ROU assets by RM0.21 million mainly due to the purchase of 1 unit of CNC milling machine and 1 unit of passenger car, as well as renewal of tenancy agreement for Chongqing Swift China.

Current assets

Our current assets increased by RM13.32 million from RM72.36 million as at 30 September 2023 to RM85.68 million as at 30 June 2024, mainly due to the following:

- increase in contract assets by RM9.69 million mainly due to the increase in project cost incurred for implementation of works and pending issuance of billings to customers due to finalisation of documentation;

- increase in trade receivables by RM7.03 million mainly due to the increase in billings to customers in June 2024 which was largely attributed to the billings for the provision of Ex solar PV system to customers in Thailand operations; and

- increase in inventories by RM1.25 million mainly due to the increase in purchases of materials and services for the planned project implementation. This was reflected in the increase in purchases of materials from RM39.64 million in FPE 2023 to RM43.67 million in FPE 2024;

This was partially offset by the decrease in cash and bank balances of RM5.35 million.

(b) Liabilities

	As at 30 September			As at 30 June
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-current liabilities				
Loans and borrowings	11,715	14,003	12,835	21,572
Lease liabilities	134	1,098	437	466
Deferred income	-	-	563	422
Deferred tax liabilities	84	67	1	298
Total non-current liabilities	**11,933**	**15,168**	**13,836**	**22,758**
Current liabilities				
Loans and borrowings	2,716	5,148	8,178	9,663
Lease liabilities	288	936	783	530
Deferred income	-	-	188	332
Trade and other payables	13,966	19,781	27,893	18,018
Contract liabilities	8,875	13,399	2,900	3,062
Current tax liabilities	154	687	831	1,243
Total current liabilities	**25,999**	**39,951**	**40,773**	**32,848**
TOTAL LIABILITIES	**37,932**	**55,119**	**54,609**	**55,606**

Comparison between 30 September 2021 and 30 September 2022

Non-current liabilities

Our non-current liabilities increased by RM3.24 million from RM11.93 million as at 30 September 2021 to RM15.17 million as at 30 September 2022. This was mainly due to the increase in loans and borrowings by RM2.29 million due to the drawdown of bank loans amounting to RM3.50 million for working capital purposes.

Current liabilities

Our current liabilities increased by RM13.95 million from RM26.00 million as at 30 September 2021 to RM39.95 million as at 30 September 2022. This was mainly due to the increase in contract liabilities of RM4.52 million arising from the increase in issuance of advanced billings to customers in the last quarter of FYE 2022 compared to the advanced billings to customers in the corresponding period of FYE 2021 for advance payment upon issuance of the purchase orders, increase in other payables by RM1.77 million, increase in trade payables of RM2.97 million, increase in loans and borrowings of RM2.43 million mainly contributed by bankers' acceptances for our working capital financing, increase in accrued expenses of RM0.72 million and increase in lease liabilities of RM0.65 million.

Comparison between 30 September 2022 and 30 September 2023

Non-current liabilities

Our non-current liabilities decreased by RM1.33 million from RM15.17 million as at 30 September 2022 to RM13.84 million as at 30 September 2023. This was mainly due to the decrease in loans and borrowings by RM1.17 million attributed by the scheduled repayment of term loans and a decrease in lease liabilities by RM0.66 million due to repayment of hire purchases.

Current liabilities

Our current liabilities increased by RM0.82 million from RM39.95 million as at 30 September 2022 to RM40.77 million as at 30 September 2023. This was mainly due to the increase in dividend payables of RM11.05 million, increase in loans and borrowings of RM3.03 million mainly bankers' acceptances for our working capital financing, increase in accrued expenses of RM1.35 million, and an increase in amount due to director of a subsidiary namely SASB of RM1.15 million in relation to the director's 20% share disposal to SESB.

The increase in current liabilities was partially offset by the decrease in contract liabilities by RM10.50 million arising from the decrease in issuance of advanced billings to customers in the last quarter of FYE 2023 compared to the advanced billings to customers in the corresponding period of FYE 2022 for advance payment upon issuance of the purchase orders, decrease in trade payables by RM2.33 million and decrease in other payables of RM2.91 million.

Comparison between 30 September 2023 and 30 June 2024

Non-current liabilities

Our non-current liabilities increased by RM8.92 million from RM13.84 million as at 30 September 2023 to RM22.76 million as at 30 June 2024. This was mainly due to the increase in loans and borrowings by RM8.74 million from RM12.83 million as at 30 September 2023 to RM21.57 million as at 30 June 2024, mainly due to the drawdown of new term loan totalling RM23.00 million to refinance existing term loans with balance of RM13.64 million as at 30 September 2023 and for additional working capital financing.

Current liabilities

Our current liabilities decreased by RM7.92 million from RM40.77 million as at 30 September 2023 to RM32.85 million as at 30 June 2024. This was mainly due to the following:

- decrease in dividend payables of RM11.05 million; and
- decrease in amount due to director of a subsidiary namely SASB of RM1.15 million in relation to the director's 20% share disposal to SESB.

The decrease in current liabilities was partially offset by the following:

- increase in loans and borrowings of RM1.48 million namely term loans and bankers' acceptances for working capital financing; and

- increase in trade payables of RM3.01 million mainly due to the increase in purchases of materials in FPE 2024.

11.2.5 Impact of foreign exchange rates, interest rates and/or commodity prices

(a) Impact of foreign exchange rates

We are exposed to foreign currency fluctuations mainly USD, SGD and RMB, as the majority of our revenue and purchases are denominated in foreign currencies.

In addition, we are also exposed to foreign currency fluctuations from our operations in China, Singapore and Thailand where our subsidiaries, Chongqing Swift China, SE Singapore and SE Thailand's financial statements are prepared in RMB, SGD and THB respectively. As such, any unfavourable movements in exchange rates between RM and other foreign currencies would have a negative impact on our financial performance.

The breakdown of our revenue and purchases transacted in RM and foreign currencies for the Financial Period Under Review are set out below:

	FYE 2021		FYE 2022		FYE 2023		FPE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Revenue								
- RM	28,939	51.57	28,080	34.31	39,965	43.24	38,476	47.24
- USD	7,982	14.22	22,154	27.07	23,644	25.58	20,147	24.74
- SGD	8,365	14.91	13,581	16.59	13,504	14.61	13,502	16.58
- RMB	9,945	17.72	14,698	17.96	10,937	11.83	8,236	10.11
- Others(1)	884	1.58	3,330	4.07	4,376	4.74	1,085	1.33
Total	**56,115**	**100.00**	**81,843**	**100.00**	**92,426**	**100.00**	**81,446**	**100.00**
Purchases								
- RM	14,697	36.50	26,820	50.43	28,968	53.16	28,509	65.29
- SGD	4,076	10.12	4,868	9.15	7,177	13.17	2,793	6.40
- USD	8,284	20.58	11,229	21.11	4,917	9.02	5,262	12.05
- RMB	9,720	24.14	4,398	8.27	4,801	8.81	2,080	4.76
- EUR	1,173	2.91	3,332	6.27	4,120	7.56	3,463	7.93
- GBP	2,175	5.40	1,785	3.36	3,929	7.21	1,060	2.43
- Others(2)	138	0.34	750	1.41	580	1.07	500	1.14
Total	**40,263**	**100.00**	**53,182**	**100.00**	**54,492**	**100.00**	**43,667**	**100.00**

Notes:

(1) Others include EUR, New Taiwan Dollar, THB, and AUD.

(2) Others include New Taiwan Dollar, THB, and AUD.

For the Financial Period Under Review, the details of our foreign exchange gains and losses are set out below:

	FYE 2021	FYE 2022	FYE 2023	FPE 2024
	RM'000	RM'000	RM'000	RM'000
Net realised (loss) on foreign exchange	(557)	(119)	(115)	(140)
Net unrealised gain/(loss) on foreign exchange	347	60	(142)	32
Net (loss) on foreign exchange	**(210)**	**(59)**	**(257)**	**(108)**

We maintain bank accounts mainly in RM, USD, EUR, RMB, SGD, and GBP, such that collections can be used to settle payments of the same currency where possible. To a certain extent, this provides a natural hedge against fluctuations in the foreign exchange. As at the LPD, we have foreign currency forward hedging facilities amounting to RM8.00 million.

The following table demonstrates the sensitivity analysis performed on our Group's post-tax profit or loss, in the event of a 10.00% strengthening of the currencies in the table below against RM at the end of the reporting period, on the basis that all other variables remained constant:

	FYE 2021	FYE 2022	FYE 2023	FPE 2024
Effects on PAT	**RM'000**	**RM'000**	**RM'000**	**RM'000**
USD	(275)	(165)	(275)	(730)
SGD	(4)	(103)	(70)	6
GBP	(14)	(10)	31	(56)
EUR	7	3	57	28
RMB	-	(26)	(*)	(125)

Note:

* Less than RM1,000.

Nevertheless, our business is subject to risks relating to any unfavourable foreign exchange rate fluctuations against the RM which may materially affect our financial performance. Please refer to Section 8.1.5 of this Prospectus for further details on risks relating to foreign exchange fluctuations.

(b) Impact of interest rates

Our exposure to changes in interest rate risk relates primarily to our borrowings from banks. We do not hedge against interest rate risks.

A sensitivity analysis performed on our Group's PAT based on the outstanding floating rate bank borrowings as at 30 September 2023 and as at 30 June 2024 indicates that a change of 100 basis points in interest rates would have resulted in the fluctuation of our Group's PAT by RM0.10 million and RM0.17 million respectively, assuming all other variables remained constant.

Our interest coverage ratio was between 7.82 times and 16.00 times for the Financial Period Under Review which indicates that we have been able to generate sufficient profits before interest and tax to meet our interest-serving obligations.

Our financial results for the Financial Period Under Review were not materially affected by the fluctuations in interest rates. However, any major increase in interest rates would raise the cost of borrowing and finance costs for our working capital, which may have an adverse effect on our performance.

(c) Impact of commodity prices

Some of our materials such as metal products including mild steel and stainless steel plates, and copper busbar are directly impacted by increases in the commodity prices including iron and steel prices. Metal products only accounted a small proportion of our total purchases of materials and services namely 5.11%, 2.16%, 3.44%, and 3.40% for the FYE 2021, FYE 2022, FYE 2023, and FPE 2024, respectively.

As such, our Board is of the view that the fluctuations in commodity prices would not materially affect our Group's operations and performance.

11.2.6 Impact of inflation

During the Financial Period Under Review, our financial performance was not materially affected by inflation. However, there is no assurance that our financial performance will not be adversely affected by inflation moving forward. Any significant increase in our costs of sales in the future may adversely affect our operations and performance if we are unable to pass on the higher costs to our customers through an increase in selling prices.

11.2.7 Impact of Government, economic, fiscal or monetary policies

There were no Government, economic, fiscal or monetary policies or factors which have materially affected our financial performance during the Financial Period Under Review. There is no assurance that our financial performance will not be adversely affected by the impact of further changes in Government, economic, fiscal or monetary policies or factors moving forward. Risks relating to Government, economic, fiscal or monetary policies or factors which may materially affect our operations are set out in Section 8.

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11.3 LIQUIDITY AND CAPITAL RESOURCES

11.3.1 Working capital

We finance our operations with cash generated from operations, credit extended by trade payables and/or financial institutions as well as cash and bank balances. Our facilities from financial institutions comprise term loans, bankers' acceptances, and lease liabilities under hire purchase arrangement. As at the LPD, we have banking facilities (excluding hire purchase) of RM51.62 million, of which RM33.57 million has been utilised.

There are no legal, financial or economic restrictions on subsidiaries' ability to distribute cash dividends or transfer funds within our Group in the form of loans or advances subject to the availability of distributable reserves, funds and compliance with any applicable local laws, rules and regulations and any applicable financial covenants.

Our Board is confident that our working capital will be sufficient for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus, taking into consideration the following:

(a) our cash and cash equivalent of approximately RM19.03 million as at the LPD;

(b) banking facilities (excluding hire purchase) of RM51.62 million as at the LPD, of which RM33.57 million has been utilised;

(c) our expected future cash flows from operations; and

(d) our pro forma gearing level of 0.14 times, based on our pro forma statements of financial position as at 30 June 2024 after the adjustments to subsequent event, Public Issue and utilisation of proceeds.

We carefully consider our cash position and ability to obtain further financing before making significant capital commitments.

The increase in cash and cash equivalent of approximately RM19.03 million as at the LPD increased from RM8.49 million as at FPE 30 June 2024 was mainly due to the cash inflow and collections from trade debtors of RM19.99 million between FPE 30 June 2024 and up to the LPD.

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11.3.2 Review of cash flows

	FYE 2021	FYE 2022	FYE 2023	FPE 2023	FPE 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash from operating activities	3,247	2,900	4,945	124	296
Net cash used in investing activities	(2,463)	(2,835)	(1,045)	(636)	(2,061)
Net cash (used in)/from financing activities	(3,096)	434	531	1,093	(3,586)
Net (decrease)/increase in cash and cash equivalents	**(2,312)**	**499**	**4,431**	**581**	**(5,351)**
Effect of exchange rate changes on cash and cash equivalents	206	274	219	176	2
Cash and cash equivalents at the beginning of the financial year	10,519	8,413	9,186	9,186	13,836
Cash and cash equivalents at the end of the financial year	**8,413**	**9,186**	**13,836**	**9,943**	**8,487**

FYE 2021

Net cash from operating activities

For the FYE 2021, our net cash generated from operating activities was RM3.25 million. We collected RM63.50 million from our customers as well as receipt of other income of RM0.66 million comprising mainly wage subsidy of RM0.33 million. This was partially offset by cash payments made of RM60.91 million, mainly for the following:

(a) RM44.06 million paid to our suppliers for the purchase of materials and subcontracted services;

(b) RM11.28 million paid for our administrative expenses mainly including our staff salaries and directors' remuneration and fees;

(c) RM3.55 million paid for our labour costs and other cost of sales; and

(d) income tax of RM1.53 million paid.

Net cash used in investing activities

For the FYE 2021, our net cash used in investing activities was RM2.46 million which was mainly due to the cash used to fund the purchase of PPE of RM2.99 million, as follows:

(a) RM2.46 million for the work-in-progress construction of a building extension at our Shah Alam factory;

(b) RM0.43 million for the purchase of computers and peripherals; and

(c) RM0.06 million for renovation works and RM0.04 million for the purchase of furniture, fittings and office equipment.

This was partially offset by the cash inflow from the following:

(a) RM0.26 million from the disposal of 51% shareholding in SEOG in January 2021 to Suzana binti Abu Bakar and Jamal bin Sawi, both of whom were directors of SEOG and SESB (the disposal was carried out for SEOG to comply with the minimum 51% bumiputra equity interest requirement of the Petronas license, which was based on the issued share capital of RM0.50 million. This represents a premium of 31.31% over the net tangible assets of SEOG amounting to RM396,839 for FYE 2020);

(b) RM0.21 million from the disposal of ROU assets namely 2 passenger cars; and

(c) RM0.06 million from interest received from fixed deposits.

Net cash used in financing activities

For the FYE 2021, our net cash used in financing activities was RM3.10 million, which was mainly attributed to the following:

(a) payment of dividends to shareholders of RM2.00 million;

(b) withdrawal of fixed deposits of RM0.64 million;

(c) payment of interest amounting to RM0.58 million relating to our borrowings and lease liabilities;

(d) payment of lease liabilities of RM0.48 million, which comprises lease payments for motor vehicle; and

(e) net repayment of bankers' acceptances of RM0.33 million.

This was partially offset by the net drawdown of term loans amounting to RM1.02 million for working capital funding.

FYE 2022

Net cash from operating activities

For the FYE 2022, our net cash generated from operating activities was RM2.90 million. We collected RM76.07 million from our customers as well as receipt of other income of RM0.26 million comprising mainly bad debts recovered of RM0.13 million. This was partially offset by cash payments made of RM73.42 million, mainly for the following:

(a) RM49.70 million paid to our suppliers for the purchase of materials and subcontracted services;

(b) RM14.86 million paid for our administrative expenses mainly including our staff salaries and directors' remuneration and fees;

(c) RM5.69 million paid for our labour costs and other cost of sales;

(d) RM1.23 million paid for other operating expenses mainly including IPO expenses of RM0.96 million; and

(e) income tax of RM1.06 million paid.

Net cash used in investing activities

For the FYE 2022, our net cash used in investing activities was RM2.84 million, which was mainly due to the cash used to fund the purchase of PPE of RM2.30 million which are set out below:

(a) RM1.12 million for the purchase of plant, machinery and equipment including mainly 1 unit of cast-resin transformer and several equipment used for testing purposes;

(b) RM0.63 million for the purchase of computers and peripherals;

(c) RM0.29 million for the purchase of furniture, fittings and office equipment; and

(d) RM0.26 million for renovation works on our head office at Shah Alam, Selangor.

In addition, there was also net cash outflow amounting to RM0.94 million for the acquisition of ALR in January 2022.

This was partially offset by the cash inflow from the following:

(a) RM0.26 million mainly from refund of deposit for a software of RM0.21 million;

(b) RM0.07 million from interest received from fixed deposits;

(c) RM0.04 million from disposal of ROU assets namely termination of a rental agreement; and

(d) RM0.03 million from the disposal of the entire equity interest in Swift Transformer Sdn Bhd and Swift Energy Limited to third parties for a total cash consideration of RM1 and RM88,000, respectively.

Net cash from financing activities

For the FYE 2022, our net cash generated from financing activities from RM0.43 million, which was mainly attributed to the following cash inflow:

(a) net drawdown of term loans amounting to RM2.62 million for working capital purposes;

(b) net drawdown of bankers' acceptances of RM2.10 million for the purchases of materials; and

(c) pledging of fixed deposits with licensed banks of RM1.25 million.

This was partially offset by the cash outflow from the following:

(a) payment of dividends to owners of our Group of RM4.00 million;

(b) payment of lease liabilities of RM0.78 million, which comprises lease payments for motor vehicles; and

(c) payment of interest amounting to RM0.70 million relating to our borrowings and lease liabilities.

FYE 2023

Net cash from operating activities

For the FYE 2023, our net cash generated from operating activities was RM4.95 million. We collected RM81.99 million from our customers as well as receipt of other income of RM0.56 million comprising mainly bad debts recovered of RM0.29 million and a government grant received from MATRADE of RM0.29 million for the reimbursement of export logistic expenses. This was partially offset by cash payments made of RM77.71 million, mainly for the following:

(a) RM50.49 million paid to our suppliers for the purchase of materials and subcontracted services;

(b) RM18.01 million paid for our administrative expenses mainly including our staff salaries and directors' remuneration and fees;

(c) RM5.67 million paid for our labour costs and other cost of sales;

(d) RM1.03 million paid for our selling and distribution expenses relating to sales commission paid to our employees;

(e) RM0.71 million paid for our other operating expenses mainly including IPO expenses; and

(f) income tax paid of RM2.11 million.

Net cash used in investing activities

For the FYE 2023, our net cash used in investing activities was RM1.05 million, which was mainly due to the cash used to fund the purchase of PPE of RM1.19 million which are set out below:

(a) RM0.48 million for the purchase of computers and peripherals;

(b) RM0.48 million for renovation works on our head office in Shah Alam;

(c) RM0.12 million for the purchase of plant, machinery and equipment including 1 unit of aerial work platform, 1 unit of welding machine and 1 unit of cleaning machine; and

(d) RM0.10 million for the purchase of furniture, fittings and office equipment.

This was partially offset by the cash inflow from interest received from fixed deposits of RM0.11 million and disposal of ROU assets of RM0.03 million namely disposal of 1 unit of passenger car.

Net cash from financing activities

For the FYE 2023, our net cash generated from financing activities from RM0.53 million, which was mainly attributed to the following cash inflow:

(a) net drawdown of bankers' acceptances of RM3.06 million for the purchases of materials; and

(b) government grant received of RM0.94 million from MIDA for the reimbursement of the purchase of several machinery and equipment.

This was partially offset by the cash outflow mainly from the following:

(a) payment of lease liabilities of RM1.15 million, which comprises lease payments for machineries and motor vehicles, as well as rental of offices;

(b) net repayment of term loans of RM1.20 million; and

(c) payment of interest amounting to RM1.06 million relating to our borrowings and lease liabilities.

FPE 2024

Net cash from operating activities

For the FPE 2024, our net cash from operating activities was RM0.30 million. We collected RM64.38 million from our customers as well as receipt of other income of RM0.24 million mainly comprising gain on disposal of production scrap, gain on disposal of PPE, and discount received.

This was partially offset by cash payments made of RM64.33 million, mainly for the following:

(a) RM40.27 million paid to our suppliers for the purchase of materials and subcontracted services;

(b) RM16.01 million paid for our administrative expenses mainly including our staff salaries, and directors' remuneration and fees;

(c) RM4.69 million paid for our labour costs and other cost of sales;

(d) RM0.89 million paid for our selling and distribution expenses relating to sales commission paid to our employees;

(e) RM0.77 million paid for our other operating expenses mainly including IPO expenses; and

(f) income tax paid of RM1.69 million.

Net cash used in investing activities

For the FPE 2024, our net cash used in investing activities was RM2.06 million, which was mainly due to the cash used to fund the acquisition of non-controlling interest in SASB equivalent to 30% shareholding of RM1.73 million, as well as purchase of PPE of RM0.33 million and motor vehicles of RM0.10 million.

This was partially offset by the cash inflow from disposal of ROU asset of RM0.05 million namely 1 unit of passenger car and interest received from fixed deposits of RM0.05 million.

Net cash from financing activities

For the FPE 2024, our net cash generated used in financing activities from RM3.59 million, which was mainly attributed to the following cash outflow:

(a) payment of dividends to owners of our Group of RM11.00 million;

(b) payment of interest amounting to RM0.95 million relating to our borrowings and lease liabilities; and

(c) payment of lease liabilities of RM0.79 million, which comprises lease payments for machineries and motor vehicles, as well as rental of offices.

This was partially offset by the cash inflow mainly from the following:

(a) net drawdown of term loans of RM7.43 million comprising the drawdown of new term loan of RM22.46 million to refinance an existing term loan and for working capital financing; and

(b) net drawdown of bankers' acceptances of RM1.53 million for the purchases of materials; and

(c) partial government grant received of RM0.20 million from MDEC namely the Malaysia Digital Acceleration Grant for the compensation of certain eligible expenses incurred for our projects.

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11. FINANCIAL INFORMATION *(Cont'd)*

11.3.3 Borrowings

All of our borrowings are secured, interest-bearing and denominated in RM. Our total outstanding borrowings (including lease liabilities arising from ROU assets) as at 30 June 2024 stood at RM32.23 million, details of which are set out below:

Type of borrowings	Purpose	Security	Tenure	Interest rate per annum %	As at 30 June 2024 RM'000
Interest bearing short-term borrowings, payable within 1 year:					
Term loans	To part finance the purchase of land, building, construction of building, and working capital	(i) Guarantee from Credit Guarantee Corporation Malaysia Berhad; (ii) Personal guarantee by our Promoter, substantial shareholder and Executive Director cum Chief Executive Officer, Tan Bin Chee; and (iii) Legal charge over our land and building.	5.5 to 20 years	3.00 to 4.05	1,373
Bankers' acceptances	To finance working capital	(i) Memorandum of legal charge over fixed deposit; (ii) Personal guarantee by our Promoter, substantial shareholder and Executive Director cum Chief Executive Officer, Tan Bin Chee; and (iii) Corporate guarantee by PMAS.	90 days	3.76 to 5.06	8,290

11. FINANCIAL INFORMATION *(Cont'd)*

Type of borrowings	Purpose	Security	Tenure	Interest rate per annum %	As at 30 June 2024 RM'000
Lease liabilities	To part finance the purchase of plant and machinery, motor vehicles, and includes rental obligations for the rental of properties(3)	(i) Certain lease liabilities are secured by joint and several guarantee by our Promoters, substantial shareholders and Executive Directors, Tan Bin Chee and Chin Saw Yong and corporate guarantee by SESB. (ii) Certain lease liabilities are secured by personal guarantee by our Executive Director cum Chief Executive Officer, Tan Bin Chee (iii) 1 lease liability is secured by personal guarantee by our subsidiary director, Lok Wei Seng.	2 to 7 years	2.08 to 5.50	530
				Sub-total	**10,193**
Interest bearing long-term borrowings, payable after 1 year:					
Term loans	To part finance the purchase of land, building, construction of building, and working capital	(i) Guarantee from Credit Guarantee Corporation Malaysia Berhad; (ii) Personal guarantee by our Promoter, substantial shareholder and Executive Director cum Chief Executive Officer, Tan Bin Chee; and	5.5 to 20 years	3.00 to 4.05	21,572

11. FINANCIAL INFORMATION *(Cont'd)*

Type of borrowings	Purpose	Security	Tenure	Interest rate per annum %	As at 30 June 2024 RM'000
		(iii) Legal charge over our land and building.			
Lease liabilities	To part finance the purchase of plant and machinery, motor vehicles, and includes rental obligations for the rental of properties(3)	(i) Certain lease liabilities are secured by joint and several guarantee by our Promoters, substantial shareholders and Executive Directors cum Chief Executive Officer and Chief Operating Officer, Tan Bin Chee and Chin Saw Yong; and corporate guarantee by SESB.	2 to 7 years	2.08 to 5.50	466
		(ii) Certain lease liabilities are secured by personal guarantee by our Executive Director cum Chief Executive Officer, Tan Bin Chee.			
		(iii) 1 lease liability is secured by personal guarantee by our subsidiary director, Lok Wei Seng.			
				Sub-total	**22,038**
				Total borrowings	**32,231**

Gearing (times)

After the adjustment for subsequent event, but before IPO and utilisation of proceeds(1)	0.59
After the adjustment for subsequent event, IPO and utilisation of proceeds(2)	0.14

11. FINANCIAL INFORMATION *(Cont'd)*

Notes:

(1) Computed based on our pro forma equity attributable to the owners of our Group of RM54.62 million in the pro forma statements of financial position after the adjustment for subsequent event but before our IPO and utilisation of proceeds.

(2) Computed based on our pro forma equity attributable to the owners of our Group of RM120.84 million in the pro forma statements of financial position after the adjustment for subsequent event, IPO and utilisation of proceeds which includes the repayment of bank borrowings of RM15.00 million.

(3) Included in the lease liabilities are rental obligation for the rental of properties, which are denominated in RM:

	Purpose	Tenure	As at 30 June 2024 RM'000
Lease liability payable within 1 year	For the rental of hostel and office	2 to 3 years	182
Lease liability payable after 1 year	For the rental of hostel and office	2 to 3 years	20
			202

In conjunction with our Listing, we have applied to the financiers to obtain a release and/or discharge of the guarantees by substituting the same with a corporate guarantee from our Company and/or other securities from our Group acceptable to the financiers. Until such release and/or discharge are obtained from the respective financiers, Tan Bin Chee and/or Chin Saw Yong and Lok Wei Seng will continue to guarantee the banking facilities extended to our Group. As at the date of this Prospectus, we have received the conditional approvals from United Overseas Bank (Malaysia), Maybank Islamic Berhad, AmBank Islamic Berhad, Public Bank Berhad and BMW Credit (Malaysia) Sdn Bhd to release and/or discharge the above guarantees by substituting the same with a corporate guarantee from Swift Energy. United Overseas Bank (Malaysia), Maybank Islamic Berhad, AmBank Islamic Berhad, Public Bank Berhad and BMW Credit (Malaysia) Sdn Bhd have imposed conditions which include, amongst others, the discharge is conditional upon the completion of the Proposed Listing and execution and perfection of a corporate guarantee by Swift Energy.

As at the LPD, we do not have any borrowings which are non-interest bearing and/or in foreign currency.

We have not defaulted on payments of principal sums and/or interests in respect of any of our borrowings throughout the Financial Period Under Review and up to the LPD.

11. FINANCIAL INFORMATION *(Cont'd)*

As at the LPD, neither our Company nor any of our subsidiaries is in breach of any terms and conditions or covenants associated with the credit arrangement or bank loan which can materially affect our financial position and results or business operations or the investments by holders of our securities.

During the Financial Period Under Review, we did not experience any claw back or reduction in the facilities limit granted to us by our lenders.

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11.3.4 Types of financial instruments used, treasury policies and objectives

Save as disclosed in Section 11.3.3 above, we do not have or utilise any other financial instruments or have any other treasury policies. All our financial instruments are used towards working capital financing, as well as purchase of PPE and ROU assets. As at the LPD, save for our lease liabilities under hire purchase arrangement which are based on fixed rates, the remaining term loans with licensed financial institutions are based on COF plus a fixed rate.

11.3.5 Material capital commitments, litigations and contingent liabilities

Material capital commitments

As at the LPD, save as disclosed below, we do not have any other material capital commitments for capital expenditure, which upon becoming enforceable, may have a material effect on our financial position:

Material capital commitments		**RM'000**
Approved but not contracted for:		
a)	Expansion of fabrication facility, storage, office and new R&D centre	30,926
b)	Expansion of operations in Indonesia	4,030
c)	Purchase of new machineries, equipment and software	2,920
d)	Purchase of testing equipment	230
Approved and contracted for:		
e)	Purchase and installation of roof-top solar PV system	764[(1)]
Total		**38,870**

Note:

(1) As at the LPD, we have a material capital commitment of RM0.76 million for the purchase and installation of roof-top solar PV system amounting to RM0.96 million. As at the LPD, the installation of the roof-top solar PV system is ongoing, and we have paid 20% or RM0.19 million of the total cost.

We expect to fund the above material commitments from the proceeds raised from our Public Issue, internally generated funds and/or bank borrowings.

Please refer to Sections 4.9.1 and 6.6 of this Prospectus for further details pursuant to the utilisation of proceeds from our Public Issue and our business strategies.

Material litigations and contingent liabilities

Save as disclosed below, we are not engaged in any material litigation, claims or arbitration either as plaintiff or defendant and there is no proceeding pending or threatened or any fact likely to give rise to any proceeding which might materially or adversely affect our position or business as at the LPD.

(a) Shah Alam High Court Civil Suit No.: BA-22C-20-06-2021
Shah Alam High Court Execution No.: BA-37G-105-07-2024

SESB (**"Plaintiff"**) vs Bina Puri Sdn Bhd (**"Defendant"**)

The Defendant had awarded a contract to the Plaintiff through 2 purchase orders to carry out the supply, testing and commissioning of power distribution boards. The Plaintiff had commenced the work based on the specifications of power distribution boards in the purchase orders. However, on a later date, the Plaintiff was apprised by the Defendant that the specifications of power distribution boards as contracted under the purchase orders were different from the project's specifications as provided by the Defendant. Due to the differences between the specifications of power distribution boards in the purchase orders and project specifications, the Plaintiff had carried some addition and omission work pursuant to the Defendant's instruction. The Plaintiff completed the purchase orders including the addition and omission work and delivered the same to the Defendant. The Plaintiff had submitted an official variation order claim in the sum of RM1,669,238.00 to the Defendant.

The Plaintiff had issued an invoice to the Defendant for the sum of RM1,669,238.00. As the payment of the invoice was not forthcoming despite the issuance of 2 letters of demand, the Plaintiff had initiated the current suit via an amended statement of claim dated 14 June 2021 (with the provision amount of RM719,238 in FYE 2019 and RM950,000 in FYE 2021) claiming against the Defendant for (i) the sum of RM1,379,909.20; (ii) 1.5% contractual interest per month on the sum of RM1,379,909.20 calculated from 1 April 2019 until the date of full and final settlement; (iii) alternatively, 5% interest per annum on the sum of RM1,379,909.20 calculated from 1 April 2019 until the date of full and final settlement; and (iv) costs. For information, prior to the filling of the current suit, the Plaintiff had revised the amount of the variation order to RM1,379,909.20 and not RM1,669,238.00 as stated in the invoice. The reason for the revision on the amount of variation order is due to the computation error in the claiming sum as stated in the purchase orders.

Plaintiff had entered into a consent judgment with Defendant on 21 May 2024 ("**Consent Judgment**"), in which the Defendant shall pay the Plaintiff an amount of RM800,000 as a full and final settlement ("**Settlement Amount**"). The Settlement Amount shall be paid by the Defendant in 8 monthly instalments from June 2024 to January 2025. The monthly instalments for the Settlement Amount shall be paid via post-dated cheques, which shall be delivered by the Defendant to the Plaintiff's solicitors on or before 7 June 2024. In the event of any default or bounced cheque in any of the monthly instalment payments, the Plaintiff shall provide a notice of remedy of breach to the Defendant, where the Defendant is required to rectify the defaulted payment of the Settlement Amount within 14 days from the date of said notice. If the Defendant fails to remedy the default within 14 days from the date of said notice, the entire claim amount of the Plaintiff in this litigation, namely RM1,379,909.20 ("**Plaintiff's Claim Amount**") less any paid Settlement Amount, shall become immediately due and payable by the Defendant to the Plaintiff. In such an event, the Plaintiff is free to enforce the Consent Judgment against the Defendant by any means to recover the remaining balance of the Plaintiff's Claim Amount immediately.

The first instalment payment was dishonoured due to a signature difference. The Plaintiff, through their solicitors' letter dated 25 June 2024, served a notice of remedy of breach to the Defendant, requiring the Defendant to remedy the breach by making the first instalment payment on or before 9 July 2024. Additionally, the Plaintiff required the Defendant to replace the 7 post-dated cheques of RM100,000 each from 15 July 2024 until 15 January 2025, payable to the Plaintiff, and forward the replaced cheques to the Plaintiff or the Plaintiff's solicitors on or before 9 July 2024.

The Defendant failed to remedy the breach on or before 9 July 2024. On 25 July 2024, the Plaintiff has enforced the Consent Judgment against the Defendant by filing garnishee proceeding. On 12 November 2024, the Plaintiff's solicitors have attended the hearing at the Shah Alam High Court to obtain the absolute garnishee order. The Shah Alam High Court has granted absolute garnishee order and the garnished sum against Ambank (M) Berhad for RM2,740.98 without costs and Alliance Bank Malaysia Berhad for the sum of RM35,172.73 without costs. The Shah Alam High Court has directed the Defendant to pay for the costs of RM1,000 to the Plaintiff, and also allowed the withdrawal of the garnishee proceeding against the other garnishees with liberty to file afresh and no order as to costs. On 28 November 2024, the Plaintiff's solicitors have extracted the sealed copy of the absolute garnishee order from the Shah Alam High Court and have proceeded to serve the sealed order to Ambank (M) Berhad and Alliance Bank Malaysia Berhad to obtain the garnished sum for the Plaintiff. There is no material impact to our financial position or profitability as we have collected RM200,000 from the Defendant and the remaining doubtful debt amounted to RM600,000 was recorded as an impairment as at the LPD.

As at the LPD, the Group does not have any other on-going transactions with the Defendant.

As at the LPD, our Directors confirm that there are no material contingent liabilities incurred by our Group, which upon becoming enforceable may have a material effect on our Group's business, financial results or position.

11.4 KEY FINANCIAL RATIOS

The key financial ratios of our Group for the Financial Period Under Review are as follows:

	FYE 2021	FYE 2022	FYE 2023	FPE 2024
Average trade receivables turnover (days)$^{(1)}$	88	60	63	60
Average trade payables turnover (days)$^{(2)}$	120	74	75	66
Average inventory turnover (days)$^{(3)}$	93	96	105	89
Current ratio (times)$^{(4)}$	2.11	1.83	1.77	2.61
Gearing ratio (times)$^{(5)}$	0.40	0.51	0.52	0.59

Notes:

(1) Computed based on average opening and closing trade receivables over revenue for the respective financial years/period, multiplied by 365 days/274 days for each financial years/period:

	As at 30 September			As at 30 June
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Opening trade receivables	18,031	9,140	17,721	14,276
Closing trade receivables	9,140	17,721	14,276	21,304
Revenue	56,115	81,843	92,426	81,446
Average trade receivables turnover (days)	88	60	63	60

(2) Computed based on average opening and closing trade payables over cost of sales for the respective financial years/period, multiplied by 365 days/274 days for each financial years/period:

	As at 30 September			As at 30 June
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Opening trade payables	15,603	9,445	12,411	10,200
Closing trade payables	9,445	12,411	10,200	13,207
Cost of sales	38,008	53,837	55,183	48,681
Average trade payables turnover (days)	120	74	75	66

(3) Computed based on the average opening and closing inventory over cost of sales for the respective financial years/period, multiplied by 365 days/274 days for each financial years/period:

	As at 30 September			As at 30 June
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Opening inventory	7,728	11,685	16,610	15,149
Closing inventory	11,685	16,610	15,149	16,397
Cost of sales	38,008	53,837	55,183	48,681
Average inventory turnover (days)	93	96	105	89

(4) Computed based on current assets over current liabilities as at each financial year/period end.

(5) Computed based on total interest-bearing borrowings and finance lease liabilities over total equity as at each financial year/period end.

11.4.1 Average trade receivables turnover period

A summary of our average trade receivables turnover period for the Financial Period Under Review are set out as follows:

	FYE 2021	FYE 2022	FYE 2023	FPE 2024
	RM'000	RM'000	RM'000	RM'000
Trade receivables	9,140	17,721	14,276	21,304
Revenue	56,115	81,843	92,426	81,446
Average trade receivables turnover period (days)[(1)]	88	60	63	60

Note:

(1) Computed based on average trade receivables over revenue for the respective financial years/period, multiplied by 365 days/274 days for each financial years/period.

The credit terms granted to our customers range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis. The factors that are taken into consideration when determining the credit period granted to customers include their creditworthiness, payment history, quantum of amount owing to us and length of relationship with us.

As part of our credit control process, our finance team closely monitors our ageing report and regularly assess the collectability of trade receivables on an individual customer basis to ensure prompt payment within the credit period granted. For any trade receivables which have exceeded the normal credit period granted to customers, we will follow up with calls and send reminders and where appropriate, provide for specific impairment on those trade receivables where recoverability is uncertain based on our dealings with the customers.

For FYE 2022, our average trade receivables turnover period decreased from 88 days in FYE 2021 to 60 days in FYE 2022. This was mainly attributed to improved collections from customers.

For FYE 2023, our average trade receivables turnover period increased from 60 days in FYE 2022 to 63 days in FYE 2023. This was mainly attributed to slower collections from customers.

For FPE 2024, our average trade receivables turnover period decreased from 63 days in FYE 2023 to 60 days in FPE 2024. This was mainly attributed to improved collections from customers.

The ageing analysis of our trade receivables as at 30 June 2024 is as follows:

			Exceeding credit period				
		Within credit period	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total
Trade receivables (RM'000)	A	12,105	4,053	388	410	4,348	**21,304**
% of trade receivables (%)		56.82	19.03	1.82	1.92	20.41	**100.00**

		Within credit period	Exceeding credit period: 1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total
Subsequent collections up to the LPD (RM'000)	B	11,600	3,895	352	408	3,731	**19,986**
% of subsequent collections up to the LPD (%)	C = B / A	95.83	96.10	90.72	99.51	85.81	**93.81**
Outstanding trade receivables (RM'000)	**D = A - B**	**505**	**158**	**36**	**2**	**617**	**1,318**

As at the LPD, RM19.99 million or 93.81% of our total trade receivables as at 30 June 2024 has been collected. The remaining RM1.32 million or 6.19% of our total trade receivables as at 30 June 2024 is still outstanding as at the LPD.

The outstanding trade receivables which are more than 90 days as at the LPD of RM0.62 million were mainly attributed to the balances from the reversal of impairment of bad debts relating to amount owing from Bina Puri Sdn Bhd of RM0.60 million. As at the LPD, the amount is recoverable in view of the consent judgement that was enforced against the customer. Please refer to Section 11.3.5 of the Prospectus for further details on the ongoing material litigation. The remaining balances of RM0.02 million were from our customers in Malaysia and China which are recoverable.

11.4.2 Average trade payables turnover period

A summary of our average trade payables turnover period for the Financial Period Under Review are set out as follows:

	FYE 2021	FYE 2022	FYE 2023	FPE 2024
	RM'000	RM'000	RM'000	RM'000
Trade payables	9,445	12,411	10,200	13,207
Cost of sales	38,008	53,837	55,183	48,681
Average trade payables turnover period (days)(1)	120	74	75	66

Note:

(1) Computed based on average opening and closing trade payables over cost of sales for the respective financial years/period, multiplied by 365 days/274 days for each financial years/period.

Our suppliers generally grant us credit terms of 30 to 90 days.

For the FYE 2022, our average trade payables turnover period decreased from 120 days in FYE 2021 to 74 days in FYE 2022. This was mainly due to improved payments to suppliers and credit terms given by new suppliers were for a shorter period. The high average trade payables turnover period of 120 days in FYE 2021 was mainly due high trade payables opening balances of RM15.60 million arising from increased purchases of materials coupled with slower payment to suppliers in FYE 2020.

For the FYE 2023, our average trade payables turnover period increased slightly from 74 days in FYE 2022 to 75 days in FYE 2023.

For FPE 2024, our average trade payables turnover period improved from 75 days in FYE 2023 to 66 days in FPE 2024. This was mainly due to prompt settlement to suppliers for materials and services purchased in FPE 2024.

The ageing analysis of our trade payables as at 30 June 2024 is as follows:

			Exceeding credit period				
		Within credit period	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**More than 90 days**	**Total**
Trade payables (RM'000)	A	9,472	1,620	1,034	426	655	**13,207**
% of total trade payables (%)		71.72	12.27	7.83	3.22	4.96	**100.00**
Subsequent payments up to the LPD (RM'000)	B	5,510	1,240	563	198	597	**8,108**
% of subsequent payments up to the LPD (%)	C = B / A	58.17	76.54	54.45	46.48	91.15	**61.39**
Outstanding trade payables (RM'000)	**D = A - B**	**3,962**	**380**	**471**	**228**	**58**	**5,099**

As at the LPD, RM8.11 million or 61.39% of our total trade payables as at 30 June 2024 has been collected. The remaining RM5.10 million or 38.61% of our total trade payables as at 30 June 2024 is still outstanding as at the LPD.

As at the LPD, there were no disputes in respect of any trade payables and our Board confirms that there have been no legal actions initiated by our suppliers to demand for payment from us in the past and present.

11.4.3 Average inventory turnover period

The breakdown of our average inventory turnover period for the Financial Period Under Review are as follows:-

	FYE 2021	**FYE 2022**	**FYE 2023**	**FPE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total inventory	11,685	16,610	15,149	16,397
Consisting of:				
- Materials	9,426	13,014	11,187	12,204

	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FPE 2024 RM'000
- Trading goods	2,259	3,596	3,962	4,193
Cost of sales	38,008	53,837	55,183	48,681
Average inventory turnover period (days)(1)	93	96	105	89

Note:

(1) Computed based on the average opening and closing inventory over cost of sales for the respective financial years/period, multiplied by 365 days/274 days for each financial years/period.

Our Group's inventory balance comprises the following:

(a) materials comprise PMAS, SSMSC, Chongqing Swift China and SE Thailand inventory for production and distribution purposes.

(b) trading goods comprise ALR's and SASB's inventory for distribution purposes.

Meanwhile, SESB, SEOG, and SE Singapore does not have any inventory balances for the Financial Period Under Review.

Our business is primarily on a project basis, where we implement inventory management procedures to manage and monitor the procurement of input materials as needed. In this approach, input materials are purchased and allocated specifically to meet the requirements of each individual project. As such, our business does not maintain an inventory policy for our business operations. For the Financial Period Under Review, our average cost of input materials purchased as a percentage of project revenue is 52%, 50%, 47% and 52% for FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively.

Our average inventory turnover period increased slightly from 93 days in FYE 2021 to 96 days in FYE 2022. This was mainly due to increase in materials balances from RM9.43 million as at 30 September 2021 to RM13.01 million as at 30 September 2022 in view of the increase in orders from customers, coupled with bulk purchases of certain components such as PLC.

Our average inventory turnover period increased from 96 days in FYE 2022 to 105 days in FYE 2023. This was mainly due to the purchases of materials, namely IDEC's industrial automation and process control devices, and NOVARIS's electrical surge protection products in bulk to enjoy savings on bulk discounts.

Our average inventory turnover period decreased from 105 days in FYE 2023 to 89 days in FPE 2024. This was mainly due to the decrease in average inventory level on the back of an increase in cost of sales by 21.05% in FPE 2024 compared to the previous financial period. The increase in cost of sales was mainly due to the increase in material costs by 26.73% in FPE 2024 largely attributed to the increase in cost of industrial electrical and other products, Ex products and accessories, as well as ICT products. This was in line with the increase in our revenue by 23.47% in FPE 2024.

11.4.4 Current ratio

Our current ratio throughout the Financial Period Under Review is as follows:

	As at 30 September			As at 30 June
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current assets	54,822	73,149	72,358	85,678
Current liabilities	25,999	39,951	40,773	32,848
Current ratio (times)(1)	2.11	1.83	1.77	2.61

Note:

(1) Computed based on current assets over current liabilities as at each financial year/period end.

Our current ratio ranged from 1.77 to 2.61 times throughout the Financial Period Under Review. This indicates that our Group is capable of meeting our current obligations as our current assets which can be readily converted to cash, together with our cash in the bank are enough to meet immediate current liabilities.

As at 30 September 2022, our current ratio was 1.83 times, which was lower compared to 2.11 times as at 30 September 2021. This was mainly due to the increase in trade receivables and contract assets by RM8.58 million and RM7.60 million respectively, which was attributed to the increase in our revenue for the FYE 2022.

As at 30 September 2023, our current ratio was 1.77 times, which was lower compared to 1.83 times as at 30 September 2022. This was mainly due to the increase in trade and other payables by RM8.11 million largely attributed to dividend payable of RM11.05 million for FYE 2023.

As at 30 June 2024, our current ratio was 2.61 times, which was higher compared 1.77 times as at 30 September 2023. This was mainly due to the increase in current assets of RM13.32 million largely attributed to the increase in contract assets of RM9.69 million, trade receivables of RM7.03 million, and inventories of RM1.25 million. In addition, this was also due to the decrease in current liabilities of RM7.93 million largely attributed to the decrease in dividend payables of RM11.05 million, and decrease in amount due to director of a subsidiary namely SASB of RM1.15 million in relation to the director's 20% share disposal to SESB.

11.4.5 Gearing ratio

Our gearing ratio throughout the Financial Period Under Review is as follows:

	As at 30 September			As at 30 June
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total borrowings	14,431	19,151	21,013	31,235
Total lease liabilities	422	2,034	1,220	996

	As at 30 September			As at 30 June
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Total equity attributable to owners of our Group	37,112	41,217	42,770	54,617
Gearing ratio (times)[(1)]	0.40	0.51	0.52	0.59

Note:

(1) Computed based on total interest-bearing borrowings and finance lease liabilities over total equity as at each financial year/period end.

As at 30 September 2022, our gearing ratio was 0.51 times, which was higher compared to 0.40 times as at 30 September 2021. This was mainly due to an increase in total borrowings by RM4.72 million mainly bank loans of RM2.62 million to finance working capital and bankers' acceptances of RM2.10 million to finance our working capital.

As at 30 September 2023, our gearing ratio was 0.52 times, which was higher compared to 0.51 times as at 30 September 2022. This was mainly due an increase in total borrowings by RM1.86 million largely attributed to the higher bankers' acceptances balances by RM3.06 million and offset by the decrease in term loan balances by RM1.20 million as at 30 September 2023.

As at 30 June 2024, our gearing ratio was 0.59 times, which was higher compared to 0.52 times as at 30 September 2023. This was mainly due to the increase in borrowings by RM10.22 million largely attributed to the drawdown of new term loan amounting to RM23.00 million to refinance and repay existing term loans with balance of RM13.64 million as at 30 September 2023, as well as for additional working capital financing.

11.5 TREND INFORMATION

As at the LPD, after all reasonable enquiries, our Board confirms that our operations have not been and are not expected to be affected by any of the following:

(a) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations other than those discussed in Sections 6.5.13, 11.2.5 and 11.8;

(b) material commitments for capital expenditure save as disclosed in Section 11.3.5;

(c) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group save as discussed in Sections 6.5.13 and 8;

(d) known trends, demands, commitments, events or uncertainties that have resulted in a substantial increase in our Group's revenue save for those that had been discussed in Sections 11.2, 11.2.5 and 11.8; and

(e) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not necessarily indicative of the future financial performance and position other than those discussed in Sections 11.2, 11.2.5 and 11.8.

11.6 ORDER BOOK

As at the LPD, our order book stood at RM55.60 million which are expected to be recognised in FYE 2025. The details are set out below:

	Order book as at the LPD
	RM'million
Provision of industrial automation and power systems	
• Process control systems	(1)7.55
• Ex solar PV systems	(1)11.63
• Power distribution systems	(1)24.86
• Other systems	(1)5.65
Supply of related products and services	
• Distribution of power and industrial electrical products	(2)4.20
• Provision of technical services	(3)1.71
Total	**55.60**

Notes:

(1) Refers to the outstanding value of on-going projects less revenue recognised up to the LPD.

(2) Refers to secured purchase orders where goods are not yet delivered to customers and not yet recognised as revenue as at the LPD.

(3) Refers to secured service orders where the services are not yet performed and not yet recognised as revenue as at the LPD.

11.7 DIVIDENDS

Our Group presently does not have any formal dividend policy. As our Company is an investment holding company, our income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiaries, present or future. Our subsidiaries will require our financiers' consent (if any) as set out in the respective facility agreements to pay dividends to us. Save for compliance with the solvency requirement under the Act which is applicable to all Malaysian companies, there are no specific legal, financial, or economic restrictions on our existing subsidiaries to declare and pay dividends to us. Moving forward, the payment of dividends or other distributions by our subsidiaries will depend on their distributable profits, operating results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective boards of directors deem relevant.

The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividends for the year are subject to our shareholders' approval. It is our intention to pay dividends to shareholders in the future. However, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board.

Actual dividends proposed and declared may vary depending on the financial performance and cash flows of our Group.

Dividend payments, capital gains and profits from dealing in our Shares will not be subject to Malaysian taxation (not applicable to entities including companies with trading of shares as their principal activity). No withholding tax is imposed on the above transactions.

During the Financial Period Under Review and up to the LPD, dividends declared and paid by our Group, were follows:

	FYE 2021	**FYE 2022**	**FYE 2023**	**FPE 2024**	**1 July 2024 up to the LPD**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Dividends declared and paid	2,000	4,000	(1)11,000	-	-

Note:

(1) The dividend was declared on 30 September 2023 and was paid on 30 November 2023, subsequent to FYE 2023.

The dividends above were funded by internally generated funds. The dividends will not affect the execution and implementation of our business strategies. Together with the IPO proceeds, we believe that we have sufficient funding of cash from operations and bank borrowings for the funding requirement for our operations and our expansion plans.

As at the LPD, none of the subsidiaries of Swift Energy are limited by any covenant or consent to pay dividends save for SESB. The consent to pay dividends has been obtained by SESB on 16 May 2024 from Maybank Islamic Bank.

As at the LPD, there is no outstanding dividends declared but remained unpaid. Subsequent to the LPD, no dividend was declared, made or paid by our Group.

Our Company has no intention to declare further dividends prior to the Listing.

No influence should or can be made from any of the above statements as to our actual future profitability or our ability to pay dividends in the future.

11.8 SIGNIFICANT CHANGES

Our Directors are not aware of any significant changes that has occurred which may have a material effect on our financial position and results since the date of our audited combined financial statements for FYE 2023.

11. FINANCIAL INFORMATION *(Cont'd)*

11.9 CAPITALISATION AND INDEBTEDNESS

The table below summarises our capitalisation and indebtedness:

(a) Based on the latest unaudited financial information as at 31 October 2024; and

(b) After adjusting for the effects of IPO and utilisation of proceeds.

	Unaudited	I	II
	As at 31 October 2024	After IPO	After (I) and utilisation of proceeds
	RM'000	RM'000	RM'000
Indebtedness			
Current			
Unsecured and unguaranteed			
Lease liabilities	112	112	112
Secured and guaranteed			
Term loans(1)	2,027	2,027	2,027
Bankers' acceptance(1)	6,223	6,223	6,223
Hire purchase liabilities(2)	342	342	342
	8,704	**8,704**	**8,704**
Non-current			
Unsecured and guaranteed			
Lease liabilities	2	2	2

11. FINANCIAL INFORMATION *(Cont'd)*

	Unaudited	I	II
	As at 31 October 2024	**After IPO**	**After (I) and utilisation of proceeds**
	RM'000	**RM'000**	**RM'000**
Secured and guaranteed			
Term loans[1]	25,366	25,366	10,366
Hire purchase liabilities[2]	356	356	356
	25,724	**25,724**	**10,724**
Total indebtedness	**34,428**	**34,428**	**19,428**
Shareholders' equity/ capitalisation			
Share capital	42,823	112,879	109,954
Retained earnings	56,771	56,771	55,860
Translation reserve	429	429	429
Merger reserve	(40,781)	(40,781)	(40,781)
Total equity attributable to owners of our Group	**59,242**	**129,298**	**125,462**
Non-controlling interests	515	515	515
Total capitalisation	**59,757**	**129,813**	**125,977**
Total capitalisation and indebtedness	**95,185**	**164,241**	**145,405**
Gearing ratio[3]	0.58	0.27	0.15

Notes:

(1) Secured over land and buildings, deposits pledged with licensed banks and personal guarantee by a Director.

(2) Guaranteed by our Promoters and secured with the corresponding assets, amongst other, the motor vehicles and equipment.

11. FINANCIAL INFORMATION *(Cont'd)*

(3) Computed based on total indebtedness divided by total equity attributable to owners of our Group.

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Swift Energy Technology Berhad

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(Incorporated in Malaysia)

Accountants' Report on the Combined Financial Statements

Swift Energy Technology Berhad

(Registration No. 202201033864 (1479561-A))
(Incorporated in Malaysia)

Combined statements of financial position

	Note	30.6.2024 RM Audited	30.9.2023 RM Audited	30.9.2022 RM Audited	30.9.2021 RM Audited
Assets					
Property, plant and equipment	3	22,553,768	22,880,361	22,579,412	21,395,585
Right-of-use assets	4	2,041,581	1,828,586	2,246,467	462,660
Deferred tax assets	6	279,110	631,114	370,705	74,651
Total non-current assets		24,874,459	25,340,061	25,196,584	21,932,896
Inventories	7	16,397,552	15,149,524	16,609,856	11,684,655
Trade and other receivables	8	24,488,630	16,830,212	22,505,413	12,329,471
Contract assets	9	32,327,423	22,637,438	19,664,161	12,064,248
Prepayments		541,956	671,810	1,345,034	5,310,980
Current tax assets		866,226	663,870	1,325,937	1,256,156
Deposits placed with licensed banks	10	2,569,833	2,569,833	2,513,284	3,763,992
Cash and cash equivalents		8,486,592	13,835,844	9,185,609	8,413,318
Total current assets		85,678,212	72,358,531	73,149,294	54,822,820
Total assets		110,552,671	97,698,592	98,345,878	76,755,716
Equity					
Share capital	11	41,439	2	2	-
Invested equity	12	2,000,000	2,000,000	2,000,000	2,000,000
Translation reserve	11	1,411,357	1,276,426	834,188	635,711
Retained earnings		51,164,153	39,494,023	38,382,419	34,476,026
Total equity attributable to owners of the Group		54,616,949	42,770,451	41,216,609	37,111,737
Non-controlling interests		329,563	318,717	2,010,378	1,711,583
Total equity		54,946,512	43,089,168	43,226,987	38,823,320
Liabilities					
Loans and borrowings	13	21,571,625	12,834,566	14,003,298	11,714,556
Lease liabilities		466,207	437,673	1,098,037	134,415
Deferred income	14	422,387	563,182	-	-
Deferred tax liabilities	6	297,721	636	67,039	84,131
Total non-current liabilities		22,757,940	13,836,057	15,168,374	11,933,102
Loans and borrowings	13	9,663,040	8,177,635	5,148,084	2,716,108
Lease liabilities		530,224	783,037	935,787	288,113
Deferred income	14	331,579	187,727	-	-
Trade and other payables	15	18,017,703	27,893,396	19,780,657	13,965,603
Contract liabilities	9	3,062,005	2,900,577	13,399,294	8,875,354
Current tax liabilities		1,243,668	830,995	686,695	154,116
Total current liabilities		32,848,219	40,773,367	39,950,517	25,999,294
Total liabilities		55,606,159	54,609,424	55,118,891	37,932,396
Total equity and liabilities		110,552,671	97,698,592	98,345,878	76,755,716

The notes on pages 12 to 87 are an integral part of these combined financial statements.

Swift Energy Technology Berhad

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Combined statements of profit or loss and other comprehensive income

	Note	1.10.2023 to 30.6.2024 RM Audited	1.10.2022 to 30.6.2023 RM Unaudited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
Revenue	16	81,446,130	65,966,249	92,426,649	81,842,976	56,115,048
Cost of sales		(48,680,826)	(40,216,514)	(55,183,423)	(53,836,582)	(38,007,708)
Gross profit		32,765,304	25,749,735	37,243,226	28,006,394	18,107,340
Other income		474,894	809,660	876,863	983,115	1,084,614
Selling and distribution expenses		(893,736)	(842,182)	(1,027,026)	(888,385)	(437,138)
Administrative expenses		(16,177,429)	(13,193,636)	(18,299,899)	(15,054,430)	(11,464,020)
Other expenses		(1,812,229)	(1,940,146)	(3,250,629)	(2,481,717)	(1,543,216)
Net reversal/(loss) on impairment of financial instruments and contract assets	19	774,361	(13,423)	(110,196)	(366,152)	(1,237,154)
Results from operating activities		15,131,165	10,570,008	15,432,339	10,198,825	4,510,426
Finance income	17	47,833	69,739	114,002	66,106	64,020
Finance costs	18	(945,642)	(706,357)	(1,061,210)	(701,610)	(576,859)
Net finance costs		(897,809)	(636,618)	(947,208)	(635,504)	(512,839)
Profit before tax	19	14,233,356	9,933,390	14,485,131	9,563,321	3,997,587
Income tax expense	20	(2,552,383)	(1,631,439)	(2,286,276)	(1,359,066)	(339,820)
Profit for the period/year		11,680,973	8,301,951	12,198,855	8,204,255	3,657,767
Other comprehensive income, net of tax						
Item that is or may be reclassified subsequently to profit or loss						
Foreign currency translation differences	21	134,934	360,576	443,055	199,091	214,426
Other comprehensive income, net of tax		134,934	360,576	443,055	199,091	214,426
Total comprehensive income for the period/year		11,815,907	8,662,527	12,641,910	8,403,346	3,872,193

Combined statements of profit or loss and other comprehensive income (continued)

	Note	1.10.2023 to 30.6.2024 RM Audited	1.10.2022 to 30.6.2023 RM Unaudited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
Profit attributable to:						
Owners of the Group		11,670,130	7,986,232	11,948,204	7,906,393	3,580,450
Non-controlling interests		10,843	315,719	250,651	297,862	77,317
Profit for the period/year		11,680,973	8,301,951	12,198,855	8,204,255	3,657,767
Total comprehensive income attributable to:						
Owners of the Group		11,805,061	8,346,424	12,390,442	8,104,870	3,792,820
Non-controlling interests		10,846	316,103	251,468	298,476	79,373
Total comprehensive income for the period/year		11,815,907	8,662,527	12,641,910	8,403,346	3,872,193
Basic earnings per ordinary share	22	5.80	3.99	5.97	3.95	1.79
Diluted earnings per ordinary share	22	5.80	3.99	5.97	3.95	1.79

The notes on pages 12 to 87 are an integral part of these combined financial statements.

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Combined statements of changes in equity

		Attributable to owners of the Group						
		Non-distributable			*Distributable*			
Audited	**Note**	**Share capital RM**	**Invested equity RM**	**Translation reserve RM**	**Retained earnings RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 October 2020		-	2,000,000	423,341	32,842,964	35,266,305	1,519,822	36,786,127
Foreign currency translation differences		-	-	212,370	-	212,370	2,056	214,426
Profit for the year		-	-	-	3,580,450	3,580,450	77,317	3,657,767
Total comprehensive income for the year		-	-	212,370	3,580,450	3,792,820	79,373	3,872,193
Distributions to owners of the Group:								
- Dividends to owners of the Group	23	-	-	-	(2,000,000)	(2,000,000)	-	(2,000,000)
Dividends to non-controlling interests		-	-	-	-	-	(90,000)	(90,000)
Change in ownership interests in a subsidiary	28(iv)	-	-	-	52,612	52,612	202,388	255,000
At 30 September 2021/1 October 2021		-	2,000,000	635,711	34,476,026	37,111,737	1,711,583	38,823,320
Issuance of ordinary shares		2	-	-	-	2	-	2
Foreign currency translation differences		-	-	198,477	-	198,477	614	199,091
Profit for the year		-	-	-	7,906,393	7,906,393	297,862	8,204,255
Total comprehensive income for the year		-	-	198,477	7,906,393	8,104,870	298,476	8,403,346
Distributions to owners of the Group:								
- Dividends to owners of the Group	23	-	-	-	(4,000,000)	(4,000,000)	-	(4,000,000)
Dividends to non-controlling interests		-	-	-	-	-	(60,000)	(60,000)
Disposal of a subsidiary	28(iii)	-	-	-	-	-	60,319	60,319
At 30 September 2022/1 October 2022		2	2,000,000	834,188	38,382,419	41,216,609	2,010,378	43,226,987
		Note 11	Note 12	Note 11				

Combined statements of changes in equity (continued)

		Attributable to owners of the Group						
		Non-distributable			*Distributable*			
Audited	**Note**	**Share capital RM**	**Invested equity RM**	**Translation reserve RM**	**Retained earnings RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 October 2022		2	2,000,000	834,188	38,382,419	41,216,609	2,010,378	43,226,987
Foreign currency translation differences		-	-	442,238	-	442,238	817	443,055
Profit for the year		-	-	-	11,948,204	11,948,204	250,651	12,198,855
Total comprehensive income for the year		-	-	442,238	11,948,204	12,390,442	251,468	12,641,910
Distributions to owners of the Group:								
- Dividends to owners of the Group	23	-	-	-	(11,000,000)	(11,000,000)	-	(11,000,000)
Dividends to non-controlling interests		-	-	-	-	-	(51,000)	(51,000)
Change in ownership interests in a subsidiary	28(i)	-	-	-	163,400	163,400	(1,892,129)	(1,728,729)
At 30 September 2023/1 October 2023		2	2,000,000	1,276,426	39,494,023	42,770,451	318,717	43,089,168
Issuance of ordinary shares		41,437	-	-	-	41,437	-	41,437
Foreign currency translation differences		-	-	134,931	-	134,931	3	134,934
Profit for the period		-	-	-	11,670,130	11,670,130	10,843	11,680,973
Total comprehensive income for the period		-	-	134,931	11,670,130	11,805,061	10,846	11,815,907
At 30 June 2024		41,439	2,000,000	1,411,357	51,164,153	54,616,949	329,563	54,946,512
		Note 11	Note 12	Note 11				

Combined statements of changes in equity (continued)

		Attributable to owners of the Group						
		Non-distributable			*Distributable*			
Unaudited	**Note**	**Share capital RM**	**Invested equity RM**	**Translation reserve RM**	**Retained earnings RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 October 2022		2	2,000,000	834,188	38,382,419	41,216,609	2,010,378	43,226,987
Foreign currency translation differences		-	-	360,192	-	360,192	384	360,576
Profit for the period		-	-	-	7,986,232	7,986,232	315,719	8,301,951
Total comprehensive income for the period		-	-	360,192	7,986,232	8,346,424	316,103	8,662,527
At 30 June 2023		2	2,000,000	1,194,380	46,368,651	49,563,033	2,326,481	51,889,514
		Note 11	Note 12	Note 11				

The notes on pages 12 to 87 are an integral part of these combined financial statements.

Swift Energy Technology Berhad

(Registration No. 202201033864 (1479561-A))
(Incorporated in Malaysia)

Combined statements of cash flows

	Note	1.10.2023 to 30.6.2024 RM Audited	1.10.2022 to 30.6.2023 RM Unaudited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
Cash flows from operating activities						
Profit before tax		14,233,356	9,933,390	14,485,131	9,563,321	3,997,587
Adjustments for:						
Depreciation of property, plant and equipment	3	656,714	666,147	891,144	725,555	752,647
Depreciation of right-of-use assets	4	468,498	522,261	765,127	564,625	437,934
Finance costs	18	945,642	706,357	1,061,210	701,610	576,859
Finance income	17	(47,833)	(69,739)	(114,002)	(66,106)	(64,020)
Amortisation of government grants	14	(199,294)	(140,795)	(187,727)	-	-
Gain on disposal of property, plant and equipment	19	-	-	-	(52,184)	-
Gain on disposal of right-of-use assets	19	(54,000)	(31,000)	(31,000)	-	(79,553)
Gain on disposal of shares in subsidiaries	19	-	-	-	(611,882)	-
Reversal of impairment loss on property, plant and equipment	3	-	-	-	-	(7,856)
Inventories written down to net realisable value/(Reversal of inventories written down)	7	118,255	17,500	(486,575)	315,459	243,458
Net (reversal)/loss on impairment of financial instruments and contract assets	19	(774,361)	13,423	110,196	366,152	1,237,154
Unrealised foreign exchange differences	19	(31,904)	59,239	141,716	(59,812)	(346,505)
Operating profit before changes in working capital		15,315,073	11,676,783	16,635,220	11,446,738	6,747,705
Changes in contract assets		(9,689,985)	17,010,340	(2,973,277)	(7,599,913)	(1,418,095)
Changes in contract liabilities		161,428	(13,399,294)	(10,498,717)	4,523,940	4,168,561
Changes in inventories		(1,366,283)	(1,041,409)	1,946,907	(4,399,628)	(4,200,343)
Changes in prepayments		129,854	(1,208,606)	673,224	3,965,946	(4,423,849)
Changes in trade and other receivables		(5,555,944)	(11,266,698)	5,762,912	(10,380,835)	10,275,987
Changes in trade and other payables		2,995,285	52,936	(4,794,187)	6,398,792	(6,377,025)
Cash generated from operating activities		1,989,428	1,824,052	6,752,082	3,955,040	4,772,941

Combined statements of cash flows (continued)

	Note	1.10.2023 to 30.6.2024 RM Audited	1.10.2022 to 30.6.2023 RM Unaudited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
Cash flows from operating activities (continued)						
Tax paid		(1,692,982)	(1,758,930)	(2,111,296)	(1,055,334)	(1,526,032)
Tax refunded		-	58,557	304,579	-	-
Net cash from operating activities		296,446	123,679	4,945,365	2,899,706	3,246,909
Cash flows for investing activities						
Acquisition of property, plant and equipment	3	(329,888)	(736,442)	(1,190,379)	(2,302,102)	(2,989,366)
Acquisition of right-of-use assets		(104,543)	-	-	-	-
Interest received from fixed deposits		47,833	69,739	114,002	66,106	64,020
Proceeds from disposal of property, plant and equipment		-	-	-	260,147	-
Proceeds from disposal of right-of-use assets		54,000	31,000	31,000	44,279	207,500
Acquisition of non-controlling interests	28(i)	(1,728,729)	-	-	-	-
Net cash outflow arising from acquisition of a subsidiary	28(ii)	-	-	-	(936,734)	-
Net cash inflow from disposal of shares in subsidiaries	28(iii)	-	-	-	32,815	255,000
Net cash used in investing activities		(2,061,327)	(635,703)	(1,045,377)	(2,835,489)	(2,462,846)
Cash flows from financing activities						
Dividends paid to:						
- owners of the Group	23	(11,000,000)	-	-	(4,000,000)	(2,000,000)
- non-controlling interests		(51,000)	-	-	(60,000)	(90,000)
Proceeds from issuance of share capital		41,437	-	-	2	-
Change in pledged deposits		-	(1,000,000)	(56,549)	1,250,708	(637,623)
Interest paid		(945,642)	(706,357)	(1,061,210)	(701,610)	(576,859)
Net drawdown/(repayment) of bank loans		7,432,935	(1,023,486)	(1,197,181)	2,621,259	1,024,387
Net drawdown/(repayment) of bankers' acceptances		1,528,203	3,587,000	3,058,000	2,099,459	(329,459)
Government grant received	14	202,351	938,636	938,636	-	-
Payment of lease liabilities		(794,080)	(702,653)	(1,150,864)	(775,850)	(486,741)
Net cash (used in)/from financing activities		(3,585,796)	1,093,140	530,832	433,968	(3,096,295)

Combined statements of cash flows (continued)

	Note	1.10.2023 to 30.6.2024 RM Audited	1.10.2022 to 30.6.2023 RM Unaudited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
Net (decrease)/increase in cash and cash equivalents		(5,350,677)	581,116	4,430,820	498,185	(2,312,232)
Effect of exchange rate changes on cash and cash equivalents		1,425	176,435	219,415	274,106	206,853
Cash and cash equivalents at beginning of the period/year		13,835,844	9,185,609	9,185,609	8,413,318	10,518,697
Cash and cash equivalents at end of the period/year		8,486,592	9,943,160	13,835,844	9,185,609	8,413,318

(i) Cash outflows for leases as a lessee

	Note	1.10.2023 to 30.6.2024 RM Audited	1.10.2022 to 30.6.2023 RM Unaudited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
Included in net cash from operating activities:						
Payment relating to short-term leases	19	130,305	25,753	36,260	224,565	169,139
Payment relating to lease of low-value asset	19	2,360	-	-	-	-
Included in net cash from financing activities:						
Interest paid in relation to lease liabilities	18	42,794	63,600	88,036	105,629	25,918
Payment of lease liabilities		794,080	702,653	1,150,864	775,850	486,741
Total cash outflows for leases		969,539	792,006	1,275,160	1,106,044	681,798

Combined statements of cash flows (continued)

(ii) Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	At 1 October 2020 RM	Net changes from financing cash flows RM	Foreign exchange movement RM	At 30 September 2021/ 1 October 2021 RM	Acquisition of new lease RM	Net changes from financing cash flows RM	At 30 September 2022 RM
Bank loans	11,801,736	1,024,387	-	12,826,123	-	2,621,259	15,447,382
Bankers' acceptance	1,934,000	(329,459)	-	1,604,541	-	2,099,459	3,704,000
Lease liabilities	908,619	(486,741)	650	422,528	2,387,146	(775,850)	2,033,824
	14,644,355	208,187	650	14,853,192	2,387,146	3,944,868	21,185,206

Group	At 1 October 2022 RM	Net changes from financing cash flows RM	Acquisition of new lease RM	At 30 September 2023/ 1 October 2023 RM	Acquisition of new lease RM	Net changes from financing cash flows RM	Others RM	At 30 June 2024 RM
Bank loans	15,447,382	(1,197,181)	-	14,250,201	-	7,432,935	1,261,326	22,944,462
Bankers' acceptance	3,704,000	3,058,000	-	6,762,000	-	1,528,203	-	8,290,203
Lease liabilities	2,033,824	(1,150,864)	337,750	1,220,710	569,801	(794,080)	-	996,431
	21,185,206	709,955	337,750	22,232,911	569,801	8,167,058	1,261,326	32,231,096

The notes on pages 12 to 87 are an integral part of these combined financial statements.

Swift Energy Technology Berhad

(Registration No. 202201033864 (1479561-A))
(Incorporated in Malaysia)

Notes to the financial statements

Swift Energy Technology Berhad (the "Company") is a public limited liability company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
Lot 48521 (PT 25145),
Jalan Palam 34/17, Seksyen 34
40460 Shah Alam
Selangor Darul Ehsan

Registered office
Unit 30-01, Level 30, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No.8, Jalan Kerinchi
59200 Kuala Lumpur

The Company is principally engaged in investment holding activities, whilst the principal activities of its combining entities are disclosed in Note 5 to the combined financial statements.

1. Basis of preparation

The Company was incorporated on 12 September 2022 for the purpose of a restructuring exercise that will result in the Company becoming the holding company of the combining entities, Swift Energy Sdn. Bhd. and its subsidiaries.

The combined financial statements of the Company and its combining entities, Swift Energy Sdn. Bhd. and its subsidiaries (collectively, the "Group") have been prepared solely in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Listing") and for no other purpose.

The combined financial statements consist of the financial statements of the Company and the entities disclosed in Note 5, under the common control of Tan Bin Chee (referred to as the "Controlling Shareholder").

The combined financial statements of the Company for the financial periods ended 30 June 2024 and 30 June 2023 and for the financial years ended 30 September 2023, 30 September 2022, and 30 September 2021 were prepared in a manner as if the entities under common control were operating as a single economic entity at the beginning of the earliest comparative period presented or, if later, at the date that common control was established.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual arrangements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The combined financial statements of commonly controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

1. Basis of preparation (continued)

(a) Statement of compliance

The combined financial statements of the Company for the financial periods ended 30 June 2024 and 30 June 2023 and for the financial years ended 30 September 2023, 30 September 2022, and 30 September 2021 have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group:

MFRS Accounting Standards, interpretations and amendments 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 and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements — Volume 11:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidated Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The Group plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 October 2024 for those amendments that are effective for annual periods beginning on or after 1 January 2024;
- from the annual period beginning on 1 October 2025 for those amendments that are effective for annual periods beginning on or after 1 January 2025;
- from the annual period beginning on 1 October 2026 for those amendments that are effective for annual periods beginning on or after 1 January 2026; and
- from the annual period beginning on 1 October 2027 for those accounting standards that are effective for annual periods beginning on or after 1 January 2027.

The initial application of the abovementioned accounting standards, interpretations and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group.

(b) Basis of measurement

The combined financial statements have been prepared on the historical cost basis, unless otherwise stated in Note 2.

(c) Functional and presentation currencies

The combined financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 5 - control assessment in relation to investment in a subsidiary
- Note 16 - revenue recognition
- Note 25 - measurement of expected credit loss ("ECL")

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these combined financial statements and have been applied consistently by the Group entities, unless otherwise stated.

(a) Basis of combination

(i) Combining entities

The combined financial statements comprise the financial statements of the Company and its combining entities which are under common control as disclosed in Note 1. The financial statements used in the preparation of the combined financial statements are prepared as of the same reporting date as the Company.

The combining entities are entities under common control of the Controlling Shareholder and are accounted for as if the entities under common control were operating as a single economic entity at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. The assets and liabilities of the combining entities are recognised at the carrying amounts in the respective subsidiaries' financial statements. The components of equity of the subsidiaries are added to the same components within the Group's equity and any resulting gain/loss is recognised directly in equity.

The Controlling Shareholder controls an entity when he is exposed, or has rights, to variable returns from his involvement with the entity and has the ability to affect those returns through his power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive.

(ii) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Group. The financial statements of subsidiaries are included in the combined financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

2. Significant accounting policies (continued)

(a) Basis of combination (continued)

(iii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iv) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(v) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the combined statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

2. Significant accounting policies (continued)

(a) Basis of combination (continued)

(vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Group, are presented in the combined statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Group. Non-controlling interests in the results of the Group is presented in the combined statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Group.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) Transactions eliminated on combination

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the combined financial statements.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting period.

Foreign currency differences arising on retranslation are recognised in profit or loss.

In the combined financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

2. Significant accounting policies (continued)

(b) Foreign currency (continued)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(i)(i)) where the effective interest rate is applied to the amortised cost.

All financial assets are subject to impairment assessment (see Note 2(i)(i)).

Financial liabilities

Amortised cost

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iii) Derecognition (continued)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

Freehold land is measured at cost. Other items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" or "other expenses" respectively in profit or loss.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• buildings	50 years
• plant, machinery and equipment	10 years
• computers and peripherals	3 - 10 years
• furniture, fittings and office equipment	5 - 10 years
• motor vehicles	5 years
• renovation	10 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

2. Significant accounting policies (continued)

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

2. Significant accounting policies (continued)

(e) Leases (continued)

(ii) Recognition and initial measurement (continued)

As a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) Subsequent measurement

As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

2. Significant accounting policies (continued)

(e) Leases (continued)

(iii) Subsequent measurement (continued)

As a lessee (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment on whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(g) Contract asset/Contract liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2(i)(i)).

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group in the management of its short-term commitments.

2. Significant accounting policies (continued)

(i) Impairment

(i) Financial assets

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

The Group measures loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balances, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2. Significant accounting policies (continued)

(i) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(j) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

2. Significant accounting policies (continued)

(k) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(l) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group performs;

(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

2. Significant accounting policies (continued)

(l) Revenue and other income (continued)

(ii) Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(m) Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

(n) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

2. Significant accounting policies (continued)

(n) Income tax (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(p) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision makers, which in this case are the Executive Directors of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(q) Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

2. Significant accounting policies (continued)

(q) Fair value measurements (continued)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. Property, plant and equipment

	Freehold land RM	Buildings RM	Plant, machinery and equipment RM	Computers and peripherals RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Work-in-progress RM	Total RM
Cost									
At 1 October 2020	10,996,986	5,000,000	4,112,078	1,669,555	1,549,212	709,306	1,755,437	2,326,261	28,118,835
Additions	-	-	-	433,233	37,576	-	55,300	2,463,257	2,989,366
Effect of movements in exchange rates	-	-	-	(818)	17,428	8,571	2,520	-	27,701
At 30 September 2021/ 1 October 2021	10,996,986	5,000,000	4,112,078	2,101,970	1,604,216	717,877	1,813,257	4,789,518	31,135,902
Additions through business combination	-	-	-	30,860	20,269	-	60,361	-	111,490
Additions	-	-	1,119,435	626,043	287,635	-	264,239	4,750	2,302,102
Disposals	-	-	-	(207,963)	-	(385,800)	-	-	(593,763)
Written off	-	-	(379,440)	-	(280,130)	-	-	-	(659,570)
Disposal of subsidiaries	-	-	(902,986)	(3,070)	(5,558)	-	(7,700)	-	(919,314)
Reclassification	-	4,794,268	-	-	-	-	-	(4,794,268)	-
Effect of movements in exchange rates	-	-	-	-	6,775	8,571	2,520	-	17,866
At 30 September 2022/ 1 October 2022	10,996,986	9,794,268	3,949,087	2,547,840	1,633,207	340,648	2,132,677	-	31,394,713
Additions	-	-	122,250	484,152	101,996	-	481,981	-	1,190,379
Written off	-	-	-	-	(19,341)	-	-	-	(19,341)
Effect of movements in exchange rates	-	-	-	6,312	7,590	-	18,688	-	32,590
At 30 September 2023/ 1 October 2023	10,996,986	9,794,268	4,071,337	3,038,304	1,723,452	340,648	2,633,346	-	32,598,341

3. Property, plant and equipment (continued)

	Freehold land RM	Buildings RM	Plant, machinery and equipment RM	Computers and peripherals RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Work-in-progress RM	Total RM
Cost (continued)									
At 1 October 2023	10,996,986	9,794,268	4,071,337	3,038,304	1,723,452	340,648	2,633,346	-	32,598,341
Additions	-	-	27,740	220,943	39,105	-	42,100	-	329,888
Written off	-	-	-	-	(37,415)	-	-	-	(37,415)
Effect of movements in exchange rates	-	-	-	9,279	(19,708)	-	(705)	-	(11,134)
At 30 June 2024	10,996,986	9,794,268	4,099,077	3,268,526	1,705,434	340,648	2,674,741	-	32,879,680

3. Property, plant and equipment (continued)

	Freehold land RM	Buildings RM	Plant, machinery and equipment RM	Computers and peripherals RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Work-in-progress RM	Total RM
Depreciation and impairment loss									
At 1 October 2020									
Accumulated depreciation	-	953,898	3,175,194	1,389,419	1,240,786	709,306	1,341,883	-	8,810,486
Accumulated impairment loss	-	-	163,608	-	-	-	-	-	163,608
	-	953,898	3,338,802	1,389,419	1,240,786	709,306	1,341,883	-	8,974,094
Depreciation for the year	-	100,000	333,797	113,102	87,062	-	118,686	-	752,647
Reversal of impairment loss	-	-	(7,856)	-	-	-	-	-	(7,856)
Effect of movements in exchange rates	-	-	-	(907)	11,290	8,571	2,478	-	21,432
At 30 September 2021/ 1 October 2021									
Accumulated depreciation	-	1,053,898	3,508,991	1,501,614	1,339,138	717,877	1,463,047	-	9,584,565
Accumulated impairment loss	-	-	155,752	-	-	-	-	-	155,752
	-	1,053,898	3,664,743	1,501,614	1,339,138	717,877	1,463,047	-	9,740,317
Depreciation for the year	-	195,886	114,075	192,883	103,985	-	118,726	-	725,555
Addition through business combination	-	-	-	30,860	18,953	-	53,943	-	103,756
Disposals	-	-	-	-	-	(385,800)	-	-	(385,800)
Written off	-	-	(379,440)	-	(280,130)	-	-	-	(659,570)
Disposal of subsidiaries	-	-	(718,344)	(2,826)	(5,170)	-	(5,314)	-	(731,654)

3. Property, plant and equipment (continued)

	Freehold land RM	Buildings RM	Plant, machinery and equipment RM	Computers and peripherals RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Work-in-progress RM	Total RM
Depreciation and impairment loss (continued)									
Accumulated depreciation	-	-	(562,592)	(2,826)	(5,170)	-	(5,314)	-	(575,902)
Accumulated impairment loss	-	-	(155,752)	-	-	-	-	-	(155,752)
Effect of movements in exchange rates	-	-	-	-	11,648	8,571	2,478	-	22,697
At 30 September 2022/ 1 October 2022									
Accumulated depreciation	-	1,249,784	2,681,034	1,722,531	1,188,424	340,648	1,632,880	-	8,815,301
	-	1,249,784	2,681,034	1,722,531	1,188,424	340,648	1,632,880	-	8,815,301
Depreciation for the year	-	195,886	160,360	312,744	102,932	-	119,222	-	891,144
Written off	-	-	-	-	(19,341)	-	-	-	(19,341)
Effect of movements in exchange rates	-	-	-	10,246	1,901	-	18,729	-	30,876
At 30 September 2023/ 1 October 2023									
Accumulated depreciation	-	1,445,670	2,841,394	2,045,521	1,273,916	340,648	1,770,831	-	9,717,980
	-	1,445,670	2,841,394	2,045,521	1,273,916	340,648	1,770,831	-	9,717,980

3. Property, plant and equipment (continued)

	Freehold land RM	Buildings RM	Plant, machinery and equipment RM	Computers and peripherals RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Work-in-progress RM	Total RM
Depreciation and impairment loss (continued)									
At 1 October 2023									
Accumulated depreciation	-	1,445,670	2,841,394	2,045,521	1,273,916	340,648	1,770,831	-	9,717,980
	-	1,445,670	2,841,394	2,045,521	1,273,916	340,648	1,770,831	-	9,717,980
Depreciation for the period	-	146,914	117,405	243,472	70,120	-	78,803	-	656,714
Written off	-	-	-	-	(37,415)	-	-	-	(37,415)
Effect of movements in exchange rates	-	-	-	1,267	(11,971)	-	(663)	-	(11,367)
At 30 June 2024									
Accumulated depreciation	-	1,592,584	2,958,799	2,290,260	1,294,650	340,648	1,848,971	-	10,325,912
	-	1,592,584	2,958,799	2,290,260	1,294,650	340,648	1,848,971	-	10,325,912

3. Property, plant and equipment (continued)

	Freehold land RM	Buildings RM	Plant, machinery and equipment RM	Computers and peripherals RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Work-in-progress RM	Total RM
Carrying amounts									
At 1 October 2020	10,996,986	4,046,102	773,276	280,136	308,426	-	413,554	2,326,261	19,144,741
At 30 September 2021/ 1 October 2021	10,996,986	3,946,102	447,335	600,356	265,078	-	350,210	4,789,518	21,395,585
At 30 September 2022/ 1 October 2022	10,996,986	8,544,484	1,268,053	825,309	444,783	-	499,797	-	22,579,412
At 30 September 2023/ 1 October 2023	10,996,986	8,348,598	1,229,943	992,783	449,536	-	862,515	-	22,880,361
At 30 June 2024	10,996,986	8,201,684	1,140,278	978,266	410,784	-	825,770	-	22,553,768

3.1 Security

All the land and buildings of the Group were pledged as security and as fixed charges to secure bank facilities granted to the Group (see Note 13).

4. Right-of-use assets

	Buildings RM	Plant and machinery RM	Motor vehicles RM	Total RM
At 1 October 2020	290,517	-	736,070	1,026,587
Disposals	-	-	(127,947)	(127,947)
Depreciation	(153,777)	-	(284,157)	(437,934)
Effect of movements in exchange rates	1,954	-	-	1,954
At 30 September 2021/1 October 2021	138,694	-	323,966	462,660
Additions	885,491	1,130,000	371,655	2,387,146
Termination	(44,279)	-	-	(44,279)
Depreciation	(287,643)	(47,083)	(229,899)	(564,625)
Effect of movements in exchange rates	5,565	-	-	5,565
At 30 September 2022/1 October 2022	697,828	1,082,917	465,722	2,246,467
Additions	165,551	-	172,199	337,750
Depreciation	(429,509)	(113,000)	(222,618)	(765,127)
Effect of movements in exchange rates	9,496	-	-	9,496
At 30 September 2023/1 October 2023	443,366	969,917	415,303	1,828,586
Additions	-	469,800	204,544	674,344
Depreciation	(262,514)	(104,324)	(101,660)	(468,498)
Effect of movements in exchange rates	7,149	-	-	7,149
At 30 June 2024	188,001	1,335,393	518,187	2,041,581

The Group leases a number of buildings, plant and machinery and motor vehicles that run between 2 years to 5 years, with an option to renew certain leases after the expiry date. The motor vehicles discussed above secure lease obligations.

Extension options

Some leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

The extension options of all leases are currently included in the lease terms as the Group assessed that it is reasonably certain to exercise the extension options, which is supported by the high historical rate of extensions exercised by the Group. Hence, as at 30 June 2024, 30 September 2023, 30 September 2022 and 30 September 2021, there were no potential future lease payments not included in lease liabilities.

4. Right-of-use assets (continued)

Judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group first determines the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

5. Combining entities

Details of the combining entities are as follows:

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest			
			30.6.2024 %	30.9.2023 %	30.9.2022 %	30.9.2021 %
Swift Energy Sdn. Bhd. ("SESB")	Malaysia	Provision of industrial automation, power and other systems, technical services, and investment holding	100	100	100	100
and its subsidiaries:						
Swift Energy Oil & Gas Sdn. Bhd. ("SEOG")	Malaysia	Provision of industrial automation, power and other systems, and technical services	49	49	49	49
Swift PMAS Sdn. Bhd. ("PMAS")	Malaysia	Fabrication, installation and maintenance of industrial automation, power and other systems	100	100	100	100

5. Combining entities (continued)

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest			
			30.6.2024 %	30.9.2023 %	30.9.2022 %	30.9.2021 %
Swift Transformer Sdn. Bhd. ("STSB") (1)	Malaysia	Assemble, install and service of all types of electrical and energy business	-	-	-	90
Swift Solutions MSC Sdn. Bhd. ("SMSC")	Malaysia	Design, supply, and technical services for industrial automation, power and other systems	100	100	100	100
Swift Automation Sdn. Bhd. ("SASB") (4)	Malaysia	Distribution of industrial electrical products	100	100	70	70
Swift Energy Limited ("SEL") (1)	Malaysia	Developing and providing specialised software-based solutions and systems, including system integration for industrial control automation as well as electrical power monitoring and management	-	-	-	100
ALR Technologies Sdn. Bhd. ("ALR") (2) (3)	Malaysia	Distribution of industrial electrical products	100	100	100	-
Swift Energy Pte. Ltd. ("SEPL") (3)	Republic of Singapore	Sales of industrial automation, power and other systems and products, and provision of technical services	100	100	100	100

5. Combining entities (continued)

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest			
			30.6.2024 %	30.9.2023 %	30.9.2022 %	30.9.2021 %
Chongqing Swift Automation Technology Co. Ltd. ("SCQ") (3) (5)	People's Republic of China	Design, supply, and technical services for industrial automation, power and other systems	100	100	100	100
Swift Energy Co. Ltd. ("SECL") (3)	Thailand	Sales of industrial automation, power and other systems and products, and provision of technical services	98	98	98	98

(1) *During the financial year 2022, SESB disposed of its entire equity interest in STSB and SEL to third parties for a total cash consideration of RM1 and RM88,000 respectively.*

(2) *During the financial year 2022, SESB acquired the entire equity interest in ALR for a total cash consideration of RM960,000.*

(3) *Not audited by member firms of KPMG International.*

(4) *On 29 September 2023, SESB further acquired the remaining 30% issued and paid-up capital in SASB comprising 225,000 ordinary shares for a total cash consideration of RM1,728,729. Consequently, SASB became a wholly-owned subsidiary of SESB.*

(5) *The entity was granted approval by Companies Commission of Malaysia to have a financial year which does not coincide with the Company.*

5.1 Significant judgements in relation to control of subsidiary

Although the Group owns less than half of the ownership interest in SEOG, the Group consolidates it as a subsidiary in accordance with MFRS 10, *Consolidated Financial Statements*, on the basis that SESB has the ability to direct the activities of the subsidiary that significantly affect the subsidiary's returns as the subsidiary's operations are dependent on SESB for its critical technology, services, supplies, and trademark.

5. Combining entities (continued)

5.2 Non-controlling interest in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") is as follows:

2024	**Swift Energy Oil & Gas Sdn. Bhd. RM**	**Other individually immaterial subsidiaries RM**	**Total RM**
NCI percentage of ordinary ownership interest and voting interest	51%		
Carrying amount of NCI	313,818	15,745	329,563
Profit allocated to NCI	9,783	1,060	10,843
Summarised financial information before intra-group elimination			
As at 30 June			
Non-current assets	22,317		
Current assets	1,759,915		
Current liabilities	(1,166,903)		
Net assets	615,329		
Period ended 30 June			
Revenue	1,091,165		
Profit for the period	19,182		
Total comprehensive income	19,182		
Cash flows used in operating activities	(657,710)		
Cash flows used in financing activities	(100,000)		
Net decrease in cash and cash equivalents	(757,710)		
Dividends paid to NCI	51,000		

5. Combining entities (continued)

5.2 Non-controlling interest in subsidiaries (continued)

2023	**Swift Energy Oil & Gas Sdn. Bhd. RM**	**Other individually immaterial subsidiaries RM**	**Total RM**
NCI percentage of ordinary ownership interest and voting interest	51%		
Carrying amount of NCI	304,035	14,682	318,717
Profit allocated to NCI	72,524	178,127	250,651
Summarised financial information before intra-group elimination			
As at 30 September			
Non-current assets	22,317		
Current assets	4,149,793		
Current liabilities	(3,575,963)		
Net assets	596,147		
Year ended 30 September			
Revenue	4,738,170		
Profit for the year	142,204		
Total comprehensive income	142,204		
Cash flows from operating activities	837,306		
Cash flows from financing activities	2,178		
Net increase in cash and cash equivalents	839,484		
Dividends paid to NCI	-		

5. Combining entities (continued)

5.2 Non-controlling interest in subsidiaries (continued)

2022	**Swift Automation Sdn. Bhd. RM**	**Other individually immaterial subsidiaries RM**	**Total RM**
NCI percentage of ordinary ownership interest and voting interest	30%		
Carrying amount of NCI	1,728,729	281,649	2,010,378
Profit allocated to NCI	197,999	99,863	297,862
Summarised financial information before intra-group elimination			
As at 30 September			
Non-current assets	215,210		
Current assets	6,469,930		
Current liabilities	(922,709)		
Net assets	5,762,431		
Year ended 30 September			
Revenue	6,430,649		
Profit for the year	659,995		
Total comprehensive income	659,995		
Cash flows from operating activities	88,060		
Cash flows used in financing activities	(292,587)		
Net decrease in cash and cash equivalents	(204,527)		
Dividends paid to NCI	60,000		

5. Combining entities (continued)

5.2 Non-controlling interest in subsidiaries (continued)

2021	Swift Automation Sdn. Bhd. RM	Other individually immaterial subsidiaries RM	Total RM
NCI percentage of ordinary ownership interest and voting interest	30%		
Carrying amount of NCI	1,590,731	120,852	1,711,583
Profit/(Loss) allocated to NCI	128,785	(51,468)	77,317
Summarised financial information before intra-group elimination			
As at 30 September			
Non-current assets	309,696		
Current assets	6,061,488		
Non-current liabilities	(36,955)		
Current liabilities	(1,031,793)		
Net assets	5,302,436		
Year ended 30 September			
Revenue	6,235,500		
Profit for the year	429,282		
Total comprehensive income	429,282		
Cash flows from operating activities	410,234		
Cash flows used in investing activities	(9,014)		
Cash flows used in financing activities	(416,936)		
Net decrease in cash and cash equivalents	(15,716)		
Dividends paid to NCI	90,000		

6. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets				Liabilities			
	30.06.2024 RM Audited	**30.9.2023 RM Audited**	**30.9.2022 RM Audited**	**30.9.2021 RM Audited**	**30.06.2024 RM Audited**	**30.9.2023 RM Audited**	**30.9.2022 RM Audited**	**30.9.2021 RM Audited**
Property, plant and equipment	-	-	-	-	(744,294)	(764,122)	(693,357)	(600,851)
Provisions and others	725,683	1,394,600	997,023	591,371	-	-	-	-
Tax assets/(liabilities)	725,683	1,394,600	997,023	591,371	(744,294)	(764,122)	(693,357)	(600,851)
Set-off of tax	(446,573)	(763,486)	(626,318)	(516,720)	446,573	763,486	626,318	516,720
Net tax assets/(liabilities)	279,110	631,114	370,705	74,651	(297,721)	(636)	(67,039)	(84,131)

	Net			
	30.06.2024 RM Audited	**30.9.2023 RM Audited**	**30.9.2022 RM Audited**	**30.9.2021 RM Audited**
Property, plant and equipment	(744,294)	(764,122)	(693,357)	(600,851)
Provisions and others	725,683	1,394,600	997,023	591,371
Tax assets/(liabilities)	(18,611)	630,478	303,666	(9,480)
Set-off of tax	-	-	-	-
Net tax assets/(liabilities)	(18,611)	630,478	303,666	(9,480)

6. Deferred tax assets/(liabilities) (continued)

Movement in temporary differences during the financial period/year

	At 1.10.2020 RM	Recognised in profit or loss (Note 20) RM	Effect of movements in exchange rates RM	At 30.9.2021/ 1.10.2021 RM	Recognised in profit or loss (Note 20) RM	Effect of movements in exchange rates RM	At 30.9.2022/ 1.10.2022 RM
Property, plant and equipment	(560,440)	(31,296)	(9,115)	(600,851)	(92,506)	-	(693,357)
Provisions and others	311,514	279,857	-	591,371	405,688	(36)	997,023
	(248,926)	248,561	(9,115)	(9,480)	313,182	(36)	303,666

	At 1.10.2022 RM	Recognised in profit or loss (Note 20) RM	Effect of movements in exchange rates RM	At 30.9.2023/ 1.10.2023 RM	Recognised in profit or loss (Note 20) RM	Effect of movements in exchange rates RM	At 30.6.2024 RM
Property, plant and equipment	(693,357)	(70,765)	-	(764,122)	19,828	-	(744,294)
Provisions and others	997,023	381,583	15,994	1,394,600	(668,912)	(5)	725,683
	303,666	310,818	15,994	630,478	(649,084)	(5)	(18,611)

6. Deferred tax assets/(liabilities) (continued)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	30.6.2024 RM Audited	30.9.2023 RM Audited	30.9.2022 RM Audited	30.9.2021 RM Audited
Unutilised tax losses	781,685	885,358	3,198,706	5,726,490
Unabsorbed capital allowances	63,392	63,392	59,618	757,063
Deductible temporary differences	179,914	327,312	202,205	332,805
	1,024,991	1,276,062	3,460,529	6,816,358

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Pursuant to the respective applicable tax legislations:

(i) the unabsorbed capital allowances and deductible temporary differences can be carried forward indefinitely; and

(ii) the restriction on the carry forward of unutilised tax losses from operations in various countries is as follows:

Country	Restriction to carry forward
Malaysia	10 years
Thailand	5 years
Singapore	No restriction

	30.06.2024 RM Audited	30.9.2023 RM Audited	30.9.2022 RM Audited	30.9.2021 RM Audited
Expiring in:				
YA 2022	-	-	-	62,082
YA 2023	-	-	138,155	160,831
YA 2024	-	-	118,947	119,723
YA 2025	-	-	68,228	68,673
YA 2026	-	-	78,358	78,869
YA 2027	-	-	-	544,287
YA 2028	-	-	-	134,610
YA 2029	-	-	-	163,994
	-	-	403,688	1,333,069
No expiry	781,685	885,358	2,795,018	4,393,421
	781,685	885,358	3,198,706	5,726,490

7. Inventories

	30.6.2024 RM Audited	30.9.2023 RM Audited	30.9.2022 RM Audited	30.9.2021 RM Audited
Materials	12,204,265	11,187,335	13,014,323	9,425,976
Trading goods	4,193,287	3,962,189	3,595,533	2,258,679
	16,397,552	15,149,524	16,609,856	11,684,655

	1.10.2023 to 30.6.2024 RM Audited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
Recognised in profit or loss:				
Inventories recognised as cost of sales	43,735,101	41,825,387	40,537,581	27,802,354
Inventories written down to net realisable value/ (Reversal of inventories written down)	118,255	(486,575)	315,459	243,458

The write-down is included in cost of sales. The write-down during the financial period was mainly due to slow-moving inventories.

8. Trade and other receivables

	30.6.2024 RM Audited	30.9.2023 RM Audited	30.9.2022 RM Audited	30.9.2021 RM Audited
Trade				
Trade receivables	21,304,219	14,276,304	17,721,108	9,139,636
Non-trade				
Other receivables	3,016,932	2,368,343	4,516,123	2,884,520
Goods and Services Tax ("GST") receivables	-	-	-	122,693
Deposits	167,479	185,565	268,182	182,622
	3,184,411	2,553,908	4,784,305	3,189,835
	24,488,630	16,830,212	22,505,413	12,329,471

9. Contract assets/(liabilities)

	30.6.2024 RM Audited	30.9.2023 RM Audited	30.9.2022 RM Audited	30.9.2021 RM Audited
Contract assets	32,327,423	22,637,438	19,664,161	12,064,248
Contract liabilities	(3,062,005)	(2,900,577)	(13,399,294)	(8,875,354)

9. Contract assets/(liabilities) (continued)

The contract assets primarily relate to the Group's rights to consideration for work completed on project and service contracts but not yet billed as at the reporting date, subject to achievement of milestone for billing. Typically, the amount will be billed within 30 days and payment is expected within 30 to 90 days.

The contract liabilities primarily relate to the advance consideration received from customers for project and service contracts, which revenue is recognised over time during the tenure of contract. The contract liabilities are expected to be recognised as revenue over a period of 30 to 90 days.

Significant changes to contract liabilities balances

	1.10.2023 to 30.6.2024 RM Audited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
Contract liabilities at the beginning of the period recognised as revenue	2,900,577	13,399,294	8,875,354	4,706,793

10. Deposits placed with licensed banks

	30.6.2024 RM Audited	30.9.2023 RM Audited	30.9.2022 RM Audited	30.9.2021 RM Audited
Fixed deposits	2,569,833	2,569,833	2,513,284	3,763,992

10.1 The fixed deposits with licensed banks have a tenure of more than 3 months.

10.2 Included in the fixed deposits placed with licensed banks is RM2,569,833 (30.9.2023: RM2,569,833; 30.9.2022: RM2,513,284; 30.9.2021: RM2,478,194) pledged as security for bank guarantee and banking facilities granted to the Group (see Note 13).

11. Capital and reserves

Share capital

	30.6.2024 RM Audited	30.9.2023 RM Audited	30.9.2022 RM Audited	30.9.2021 RM Audited
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At beginning of period/year	2	2	-	-
Issued during the period/year	41,437	-	2	-
At end of period/year	41,439	2	2	-

11. Capital and reserves (continued)

Share capital (continued)

	Number of shares			
	30.6.2024 Audited	**30.9.2023 Audited**	**30.9.2022 Audited**	**30.9.2021 Audited**
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At beginning of period/year	2	2	-	-
Issued during the period/year	41,437	-	2	-
At end of period/year	41,439	2	2	-

Ordinary shares

On 12 September 2022, the Company was incorporated with an issued and paid-up share capital of RM2 comprising 2 ordinary shares. On 15 March 2024, the existing shareholders of the Company subscribed new ordinary shares of RM41,437 comprising 41,437 ordinary shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

12. Invested equity

For the purpose of these combined financial statements, the invested equity at the end of the respective financial period and years is the aggregate of the share capital of combining entities constituting the Group.

The invested equity constitutes the share capital of SESB.

13. Loans and borrowings

	Note	30.6.2024 RM Audited	30.9.2023 RM Audited	30.9.2022 RM Audited	30.9.2021 RM Audited
Non-current					
Bank loans	13.1	21,571,625	12,834,566	14,003,298	11,714,556
Current					
Bank loans	13.1	1,372,837	1,415,635	1,444,084	1,111,567
Bankers' acceptances		8,290,203	6,762,000	3,704,000	1,604,541
		9,663,040	8,177,635	5,148,084	2,716,108
		31,234,665	21,012,201	19,151,382	14,430,664

13. Loans and borrowings (continued)

13.1 Bank loans

	30.6.2024 RM Audited	30.9.2023 RM Audited	30.9.2022 RM Audited	30.9.2021 RM Audited
Loan 1 (secured)	-	7,905,602	8,622,120	9,385,752
Loan 2 (secured)	454,461	607,006	805,162	920,046
Loan 3 (secured)	-	2,520,100	2,520,100	2,520,325
Loan 4 (secured)	-	3,217,493	3,500,000	-
Loan 5 (secured)	22,490,001	-	-	-
	22,944,462	14,250,201	15,447,382	12,826,123

13.2 Security

The bank loans and bankers' acceptances are secured over land and buildings (see Note 3), deposits pledged with licensed banks (see Note 10) and personal guarantee by a Director.

14. Deferred income

	Note	30.6.2024 RM Audited	30.9.2023 RM Audited	30.9.2022 RM Audited	30.9.2021 RM Audited
Non-current					
Government grants		422,387	563,182	-	-
Current					
Government grants		331,579	187,727	-	-
At beginning of period/year		750,909	-	-	-
Received during the financial period/year	14.1	202,351	938,636	-	-
Recognised in profit or loss	19	(199,294)	(187,727)	-	-
At end of period/year		753,966	750,909	-	-

14.1 Government grants relate to assets

In 2023, the Group received government grants for the purchase of certain items of property, plant and equipment, which include machineries, computers and peripherals. There are no unfulfilled conditions or contingencies attached to these grants. The grant is amortised over the useful life of the property, plant and equipment of 5 years.

Government grants relate to expenditures

In 2024, the Group received government grants for the compensation of certain eligible expenses incurred for its projects. The grant is recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised. During the financial period, RM58,499 has been recognised as other income in profit or loss.

15. Trade and other payables

	Note	30.6.2024 RM Audited	30.9.2023 RM Audited	30.9.2022 RM Audited	30.9.2021 RM Audited
Trade					
Trade payables		13,207,122	10,081,451	12,408,858	9,445,233
Amount due to a company in which a connected person of a Director had significant financial interests in	15.1	-	118,106	2,500	-
		13,207,122	10,199,557	12,411,358	9,445,233
Non-trade					
Amount due to a company in which a connected person of a Director had significant financial interests in	15.2	-	41,369	367,760	8,231
Amount due to Director of a subsidiary	15.2	-	1,152,488	-	-
Other payables		2,133,502	2,469,530	5,376,554	3,607,000
Dividend payable		-	11,051,000	-	-
Accrued expenses		2,677,079	2,979,452	1,624,985	905,139
		4,810,581	17,693,839	7,369,299	4,520,370
		18,017,703	27,893,396	19,780,657	13,965,603

15.1 The trade amount due to a company in which a connected person of a Director had significant financial interests in had credit terms ranging from 30 to 90 days (30.9.2022: 30 to 90 days).

15.2 The non-trade amounts due to a company in which a connected person of a Director had significant financial interests in and Director of a subsidiary were unsecured, interest free and repayable on demand.

16. Revenue

	1.10.2023 to 30.6.2024 RM Audited	1.10.2022 to 30.6.2023 RM Unaudited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
Revenue from contracts with customers	81,446,130	65,966,249	92,426,649	81,842,976	56,115,048

16. Revenue (continued)

16.1 Disaggregation of revenue

	1.10.2023 to 30.6.2024 RM Audited	1.10.2022 to 30.6.2023 RM Unaudited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
Primary geographical markets					
Malaysia	38,162,347	25,449,196	39,261,504	34,657,666	29,301,236
China	8,441,168	9,147,765	10,314,422	15,007,045	9,945,347
Singapore	15,171,359	11,712,810	18,265,480	13,425,089	7,843,223
Indonesia	146,616	622,680	995,634	3,167,130	930,633
Thailand	14,121,027	11,865,615	13,652,828	5,765,918	911,015
South Africa	1,017,655	4,348,693	4,658,610	84,675	77,162
Ghana	372,843	540,992	602,558	2,833,521	2,697,091
Vietnam	209,353	174,278	217,949	1,072,776	1,104,340
Papua New Guinea	2,080,036	381,178	516,035	3,944,217	1,337,856
Philippines	-	362,301	652,151	1,390,395	404,320
Others	1,723,726	1,360,741	3,289,478	494,544	1,562,825
	81,446,130	65,966,249	92,426,649	81,842,976	56,115,048
Major products and services lines					
Sale of goods	9,851,178	12,270,162	17,138,612	17,329,331	14,074,440
Services	5,868,954	2,638,872	3,189,939	3,937,588	3,933,337
Project contracts	65,725,998	51,057,215	72,098,098	60,576,057	38,107,271
	81,446,130	65,966,249	92,426,649	81,842,976	56,115,048
Timing and recognition					
At a point in time	9,851,178	12,270,162	17,138,612	17,329,331	14,074,440
Over time	71,594,952	53,696,087	75,288,037	64,513,645	42,040,608
	81,446,130	65,966,249	92,426,649	81,842,976	56,115,048

16. Revenue (continued)

16.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Warranty
Sale of goods	Revenue is recognised when the goods are delivered and accepted by the customers at their premises or based on shipment terms.	Credit period of 30 to 60 days from invoice date.	Not applicable.	Not applicable.
Services	Revenue from providing manpower services is recognised over time when the services are performed using the cost incurred method.	Credit period of 30 to 60 days from invoice date.	Not applicable.	Not applicable.
Project contracts	Revenue is recognised over time using the cost incurred method.	Credit period of 30 to 60 days from invoice date.	Not applicable.	Warranties of 12 months are given at no cost to certain customers.

16.3 Practical expedients applied for transaction price allocated to remaining performance obligation and significant financing component

The Group applies the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.

- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

16. Revenue (continued)

16.3 Practical expedients applied for transaction price allocated to remaining performance obligation and significant financing component (continued)

The Group does not have any contracts which have original expected durations of more than one year. Hence, upon applying the practical expedients, there are no further disclosures made on transaction price allocated to remaining performance obligations.

16.4 Significant judgements and assumptions arising from revenue recognition

For project and service contracts, the Group measured the performance of project and service work done by comparing the actual costs incurred with the estimated total costs required to complete the project and service. Significant judgements are required to estimate the total contract costs to complete. In making these estimates, management relied on estimates and also on past experience of completed projects. A change in the estimates will directly affect the revenue to be recognised.

17. Finance income

	1.10.2023 to 30.6.2024 RM Audited	1.10.2022 to 30.6.2023 RM Unaudited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
Interest income of financial assets measured at amortised cost	47,833	69,739	114,002	66,106	64,020

18. Finance costs

	1.10.2023 to 30.6.2024 RM Audited	1.10.2022 to 30.6.2023 RM Unaudited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
Interest expense of financial liabilities measured that are not measured at fair value through profit or loss	902,848	642,757	973,174	652,723	550,941
Interest expense on lease liabilities	42,794	63,600	88,036	48,887	25,918
	945,642	706,357	1,061,210	701,610	576,859

19. Profit before tax

	Note	1.10.2023 to 30.6.2024 RM Audited	1.10.2022 to 30.6.2023 RM Unaudited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
Profit before tax is arrived at after charging/ (crediting):						
Auditors' remunerations:						
Audit fees						
- KPMG PLT		136,875	140,439	180,500	148,000	150,000
- Overseas affiliate of KPMG PLT		-	-	80,263	-	-
- Other auditors		25,025	13,100	36,160	50,223	36,912
Non-audit fees						
- Local affiliate of KPMG PLT		46,366	27,307	38,000	43,000	43,000
Material expenses/(income)						
Depreciation of property, plant and equipment	3	656,714	666,147	891,144	725,555	752,647
Depreciation of right-of-use assets	4	468,498	522,261	765,127	564,625	437,934
Inventories written down to net realisable value/ (Reversal of inventories written down)	7	118,255	17,500	(486,575)	315,459	243,458
Reversal of impairment loss on property, plant and equipment	3	-	-	-	-	(7,857)
Amortisation of government grants	14	(199,294)	(140,795)	(187,727)	-	-
Government grants income		(7,927)	(287,922)	(287,922)	(738)	(64,247)
Gain on disposal of property, plant and equipment		-	-	-	(52,184)	-
Gain on disposal of right-of-use assets		(54,000)	(31,000)	(31,000)	-	(79,553)
Gain on disposal of shares in subsidiaries		-	-	-	(611,882)	-
Net foreign exchange losses/(gains):						
- realised		140,041	82,613	114,606	119,353	557,351
- unrealised		(31,904)	59,239	141,716	(59,812)	(346,505)
Personnel expenses (including key management personnel):						
- Contributions to state plans		1,243,518	1,201,759	1,862,579	1,614,458	1,105,341
- Wages, salaries and others		11,022,212	9,600,880	15,821,578	13,009,520	10,134,248

19. Profit before tax (continued)

	Note	1.10.2023 to 30.6.2024 RM Audited	1.10.2022 to 30.6.2023 RM Unaudited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
Profit before tax is arrived at after charging/ (crediting): (continued)						
Expenses arising from leases						
Expenses relating to short-term leases	19.1	130,305	25,753	36,260	224,565	169,139
Expenses relating to leases of low-value asset	19.2	2,360	-	-	-	-
Net (reversal)/loss on impairment of financial instruments and contract assets						
Financial assets at amortised cost		(774,361)	13,423	110,196	366,152	1,237,154

19.1 The Group leases hostel and office with contract terms of not more than 1 year. These leases are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

19.2 The Group leases an office equipment with contract term of 5 years. This lease is a lease of low-value item. The Group has elected not to recognise right-of-use assets and lease liabilities for this lease.

20. Income tax expense

	Note	1.10.2023 to 30.6.2024 RM Audited	1.10.2022 to 30.6.2023 RM Unaudited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
Recognised in profit or loss						
Current tax expense						
Current period/year		2,019,822	1,733,284	2,692,928	1,644,602	644,983
(Over)/Under provision in prior years		(116,523)	(95,834)	(95,834)	27,646	(56,602)
Total current tax recognised in profit or loss		1,903,299	1,637,450	2,597,094	1,672,248	588,381
Deferred tax expense						
Origination and reversal of temporary differences		1,093,388	157,968	(120,974)	(256,904)	(209,815)
Over provision in prior years		(444,304)	(163,979)	(189,844)	(56,278)	(38,746)
Total deferred tax recognised in profit or loss	6	649,084	(6,011)	(310,818)	(313,182)	(248,561)
Total income tax expense		2,552,383	1,631,439	2,286,276	1,359,066	339,820
Reconciliation of tax expense						
Profit before tax		14,233,356	9,933,390	14,485,131	9,563,321	3,997,587
Income tax calculated using Malaysian tax rate of 24%		3,416,005	2,384,014	3,476,431	2,295,197	959,421
Effect of lower tax rates		(223,216)	(232,032)	(235,057)	(264,386)	(100,280)
Effect of tax rates in foreign jurisdictions		(21,544)	(148,430)	(220,865)	(64,402)	(10,509)
Non-deductible expenses		316,597	275,509	90,684	321,489	119,777
Non-taxable income		(314,375)	(104,868)	(14,967)	(178,539)	(245,085)
Effect of deferred tax assets not recognised		-	-	30,026	24,341	148,203
Utilisation of previously unrecognised deferred tax assets		(60,257)	(282,941)	(554,298)	(746,002)	(436,359)
Over provision in prior years		(560,827)	(259,813)	(285,678)	(28,632)	(95,348)
		2,552,383	1,631,439	2,286,276	1,359,066	339,820

21. Other comprehensive income

	Before tax RM	Tax expense RM	Net of tax RM
1.10.2023 to 30.6.2024 (Audited)			
Item that is or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	134,934	-	134,934
1.10.2022 to 30.6.2023 (Unaudited)			
Item that is or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	360,576	-	360,576
1.10.2022 to 30.9.2023 (Audited)			
Item that is or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	443,055	-	443,055
1.10.2021 to 30.9.2022 (Audited)			
Item that is or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	199,091	-	199,091
1.10.2020 to 30.9.2021 (Audited)			
Item that is or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	214,426	-	214,426

22. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	1.10.2023 to 30.6.2024 RM Audited	1.10.2022 to 30.6.2023 RM Unaudited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
Profit attributable to ordinary shareholders	11,670,130	7,986,232	11,948,204	7,906,393	3,580,450
Weighted average number of ordinary shares at period end (including invested equity)	2,013,814	2,000,002	2,000,002	2,000,002	2,000,000
Basic earnings per share (RM)	5.80	3.99	5.97	3.95	1.79

Diluted earnings per ordinary share

The Group has no shares or other instruments with potential dilutive effects as at 30 September 2021, 30 September 2022, 30 September 2023 and 30 June 2024. Thus, the Group's diluted earnings per ordinary share is equivalent to its basic earnings per ordinary share as disclosed above.

23. Dividends

Dividends recognised by the Group:

	RM per share	Total amount RM	Date of payment
30.9.2023			
Interim 2023 ordinary	5.50	11,000,000	30 November 2023
30.9.2022			
Interim 2022 ordinary	2.00	4,000,000	30 September 2022
30.9.2021			
Interim 2021 ordinary	0.25	500,000	3 September 2021
Interim 2021 ordinary	0.75	1,500,000	13 September 2021
		2,000,000	

The Directors do not recommend any dividend to be paid for the financial period under review.

24. Operating segments

The Group has 3 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Executive Directors (the chief operating decision makers) review internal management reports at least on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- Manufacturing: Includes fabrication, supply and distribution of electrical and instrumentation equipment; and provision of technical services, installation and maintenance of industrial automation, power and other systems
- Engineering services: Includes design and supply for industrial automation; and technical engineering services for installation, distribution, management and monitoring of electrical power supply
- Trading: Includes trading and distribution of electrical and electronic components

The operating segments are aggregated to form three separate reportable segments as Manufacturing, Engineering Services and Trading based on the similar nature and economic characteristics of the products and services. The nature, production process, type of customers and methods of distribution of the products and services for each reportable segment are similar.

Other non-reportable segment comprises operation related to investment holding. The segment does not meet the quantitative thresholds for reporting segments.

Performance is measured primarily on segment profit after tax ("segment profit") as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

Segment assets are measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment assets are used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities are measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment liabilities are used to measure the gearing of each segment.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial period/year to acquire property, plant and equipment, right-of-use assets and intangible assets other than goodwill.

24. Operating segments (continued)

	Manufacturing RM	Engineering services RM	Trading RM	Total RM
Audited				
1.10.2023 to 30.6.2024				
Segment profit	11,841,094	1,649,942	1,147,273	14,638,309
Included in the measure of segment profit are:				
Revenue from external customers	66,042,824	5,296,890	10,106,416	81,446,130
Inter-segment revenue	32,930,045	61,697	1,406,615	34,398,357
Depreciation and amortisation	(830,734)	(64,145)	(230,333)	(1,125,212)
Personnel expenses	(7,456,729)	(998,426)	(3,722,968)	(12,178,123)
Net reversal/(loss) on impairment of financial instruments and contract assets	797,184	(22,823)	-	774,361
Finance costs	(927,271)	(6,636)	(11,735)	(945,642)
Finance income	19,230	14,094	14,509	47,833
Unaudited				
1.10.2022 to 30.6.2023				
Segment profit	3,818,332	255,560	2,632,518	6,706,410
Included in the measure of segment profit are:				
Revenue from external customers	50,753,979	2,461,625	12,750,645	65,966,249
Inter-segment revenue	26,913,687	608	510,062	27,424,357
Depreciation and amortisation	(889,627)	(45,258)	(253,523)	(1,188,408)
Personnel expenses	(6,696,775)	(934,122)	(3,171,742)	(10,802,639)
Net loss on impairment of financial instruments and contract assets	(13,423)	-	-	(13,423)
Finance costs	(682,189)	(1,283)	(22,885)	(706,357)
Finance income	68,393	-	1,346	69,739

24. Operating segments (continued)

	Manufacturing RM	Engineering services RM	Trading RM	Total RM
Audited				
1.10.2022 to 30.9.2023				
Segment profit	6,223,917	1,927,274	3,864,561	12,015,752
Included in the measure of segment profit are:				
Revenue from external customers	71,451,670	3,341,316	17,633,663	92,426,649
Inter-segment revenue	52,260,001	109,651	1,513,909	53,883,561
Depreciation and amortisation	(1,278,122)	(66,592)	(311,557)	(1,656,271)
Personnel expenses	(10,115,417)	(2,599,423)	(4,969,317)	(17,684,157)
Net loss on impairment of financial instruments and contract assets	(110,196)	-	-	(110,196)
Finance costs	(1,031,093)	(3,150)	(26,967)	(1,061,210)
Finance income	88,010	16,875	9,117	114,002
Audited				
1.10.2021 to 30.9.2022				
Segment profit	5,253,605	609,333	2,485,272	8,348,210
Included in the measure of segment profit are:				
Revenue from external customers	60,796,030	4,417,433	16,629,513	81,842,976
Inter-segment revenue	29,345,908	42,635	2,685,751	32,074,294
Depreciation and amortisation	(935,516)	(100,585)	(254,079)	(1,290,180)
Personnel expenses	(8,127,020)	(3,139,315)	(3,357,643)	(14,623,978)
Net loss on impairment of financial instruments and contract assets	(365,697)	-	(455)	(366,152)
Finance costs	(631,618)	-	(69,992)	(701,610)
Finance income	64,703	1,224	179	66,106

24. Operating segments (continued)

	Manufacturing RM	Engineering services RM	Trading RM	Total RM
Audited				
1.10.2020 to 30.9.2021				
Segment profit/(loss)	1,856,686	1,566,988	(424,364)	2,999,310
Included in the measure of segment profit/(loss) are:				
Revenue from external customers	37,627,451	4,618,146	13,869,451	56,115,048
Inter-segment revenue	16,016,975	193,960	1,964,735	18,175,670
Depreciation and amortisation	(911,185)	(37,278)	(242,118)	(1,190,581)
Personnel expenses	(6,537,414)	(2,044,618)	(2,657,557)	(11,239,589)
Net loss on impairment of financial instruments and contract assets	(805,910)	-	(431,244)	(1,237,154)
Finance costs	(563,500)	-	(13,359)	(576,859)
Finance income	63,442	564	14	64,020
Audited				
30.6.2024				
Segment assets	93,979,481	3,721,380	24,077,471	121,778,332
Included in the measure of segment assets are:				
Additions to non-current assets other than financial instruments and deferred tax assets:				
Plant and equipment	293,512	6,226	30,150	329,888
Right-of-use assets	469,800	-	204,544	674,344
	763,312	6,226	234,694	1,004,232
Segment liabilities	(48,882,165)	(2,389,614)	(4,232,823)	(55,504,602)
Included in the measure of segment liabilities are:				
Loans and borrowings	(30,793,665)	(441,000)	-	(31,234,665)
Lease liabilities	(568,499)	(127,923)	(300,009)	(996,431)

24. Operating segments (continued)

	Manufacturing RM	Engineering services RM	Trading RM	Total RM
Unaudited				
30.6.2023				
Segment assets	76,826,441	5,746,037	25,532,489	108,104,967
Included in the measure of segment assets are:				
Additions to non-current assets other than financial instruments and deferred tax assets:				
Plant and equipment	648,763	51,130	36,549	736,442
Right-of-use assets	-	172,199	-	172,199
	648,763	223,329	36,549	908,641
Segment liabilities	(29,488,463)	(1,051,867)	(15,303,062)	(45,843,392)
Included in the measure of segment liabilities are:				
Loans and borrowings	(21,714,896)	-	-	(21,714,896)
Lease liabilities	(889,647)	(146,081)	(467,642)	(1,503,370)
Audited				
30.9.2023				
Segment assets	76,066,047	5,714,370	30,276,474	112,056,891
Included in the measure of segment assets are:				
Additions to non-current assets other than financial instruments and deferred tax assets:				
Plant and equipment	1,059,907	59,145	71,327	1,190,379
Right-of-use assets	-	172,199	165,551	337,750
	1,059,907	231,344	236,878	1,528,129
Segment liabilities	(51,091,624)	(2,150,975)	(3,104,895)	(56,347,494)
Included in the measure of segment liabilities are:				
Loans and borrowings	(21,012,201)	-	-	(21,012,201)
Lease liabilities	(697,273)	(141,645)	(381,792)	(1,220,710)

24. Operating segments (continued)

	Manufacturing RM	Engineering services RM	Trading RM	Total RM
Audited				
30.9.2022				
Segment assets	77,051,432	9,090,393	22,955,245	109,097,070
Included in the measure of segment assets are:				
Additions to non-current assets other than financial instruments and deferred tax assets:				
Plant and equipment	2,219,913	45,328	36,861	2,302,102
Right-of-use assets	1,886,229	-	500,917	2,387,146
	4,106,142	45,328	537,778	4,689,248
Segment liabilities	(47,520,925)	(2,152,825)	(5,975,748)	(55,649,498)
Included in the measure of segment liabilities are:				
Loans and borrowings	(19,151,382)	-	-	(19,151,382)
Lease liabilities	(1,586,909)	-	(446,915)	(2,033,824)
Audited				
30.9.2021				
Segment assets	76,316,292	11,366,284	14,356,101	102,038,677
Included in the measure of segment assets are:				
Additions to non-current assets other than financial instruments and deferred tax assets:				
Plant and equipment	2,943,161	17,327	28,878	2,989,366
Segment liabilities	(40,236,003)	(3,877,580)	(9,077,932)	(53,191,515)
Included in the measure of segment liabilities are:				
Loans and borrowings	(14,430,664)	-	-	(14,430,664)
Lease liabilities	(236,768)	-	(185,760)	(422,528)

24. Operating segments (continued)

Reconciliation of reportable segment profit or loss, assets and liabilities

Profit or loss	**1.10.2023 to 30.6.2024 RM Audited**	**1.10.2022 to 30.6.2023 RM Unaudited**	**1.10.2022 to 30.9.2023 RM Audited**	**1.10.2021 to 30.9.2022 RM Audited**	**1.10.2020 to 30.9.2021 RM Audited**
Total profit or loss for reportable segments	14,638,309	6,706,410	12,015,752	8,348,210	2,999,310
Other non-reportable segment	(184,982)	(6,000)	(11,389)	-	-
Elimination of inter-segment (profits)/losses	(2,772,354)	1,601,541	194,492	(143,955)	658,457
Consolidation profit	11,680,973	8,301,951	12,198,855	8,204,255	3,657,767
Segment assets					
Total reportable segments	121,778,332	108,104,967	112,056,891	109,097,070	102,038,677
Other non-reportable segment	51,994	2	2	2	-
Elimination of inter-segment balances	(11,277,655)	(10,923,264)	(14,358,301)	(10,751,194)	(25,282,961)
Consolidated total	110,552,671	97,181,705	97,698,592	98,345,878	76,755,716
Segment liabilities					
Total reportable segments	(55,504,602)	(45,843,392)	(56,347,494)	(55,649,498)	(53,191,515)
Other non-reportable segment	(101,557)	-	(6,000)	-	-
Elimination of inter-segment balances	-	551,202	1,744,070	530,607	15,259,119
Consolidated total	(55,606,159)	(45,292,190)	(54,609,424)	(55,118,891)	(37,932,396)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments and deferred tax assets.

24. Operating segments (continued)

Geographical segments (continued)

	External revenue RM	Non-current assets RM
	Audited 1.10.2023 to 30.6.2024	Audited 30.6.2024
Malaysia	38,162,347	24,285,010
China	8,441,168	152,706
Singapore	15,171,359	97,530
Indonesia	146,616	-
Thailand	14,121,027	60,103
South Africa	1,017,655	-
Ghana	372,843	-
Vietnam	209,353	-
Papua New Guinea	2,080,036	-
Others	1,723,726	-
	81,446,130	24,595,349
	Unaudited 1.10.2022 to 30.6.2023	Unaudited 30.6.2023
Malaysia	25,449,196	24,220,236
China	9,147,765	72,949
Singapore	11,712,810	204,560
Indonesia	622,680	-
Thailand	11,865,615	59,579
South Africa	4,348,693	-
Ghana	540,992	-
Vietnam	174,278	-
Papua New Guinea	381,178	-
Philippines	362,301	-
Others	1,360,741	-
	65,966,249	24,557,324
	Audited 1.10.2022 to 30.9.2023	Audited 30.9.2023
Malaysia	39,261,504	24,378,360
China	10,314,422	93,834
Singapore	18,265,480	176,008
Indonesia	995,634	-
Thailand	13,652,828	60,745
South Africa	4,658,610	-
Ghana	602,558	-
Vietnam	217,949	-
Papua New Guinea	516,035	-
Philippines	652,151	-
Others	3,289,478	-
	92,426,649	24,708,947

24. Operating segments (continued)

Geographical segments (continued)

	External revenue RM Audited 1.10.2021 to 30.9.2022	Non-current assets RM Audited 30.9.2022
Malaysia	34,657,666	24,320,143
China	15,007,045	218,391
Singapore	13,425,089	259,645
Indonesia	3,167,130	-
Thailand	5,765,918	27,700
South Africa	84,675	-
Ghana	2,833,521	-
Vietnam	1,072,776	-
Papua New Guinea	3,944,217	-
Philippines	1,390,395	-
Others	494,544	-
	81,842,976	24,825,879

	Audited 1.10.2020 to 30.9.2021	Audited 30.9.2021
Malaysia	29,301,236	21,728,868
China	9,945,347	51,596
Singapore	7,843,223	72,927
Indonesia	930,633	-
Thailand	911,015	4,854
South Africa	77,162	-
Ghana	2,697,091	-
Vietnam	1,104,340	-
Papua New Guinea	1,337,856	-
Philippines	404,320	-
Others	1,562,825	-
	56,115,048	21,858,245

24. Operating segments (continued)

Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	Revenue				
	1.10.2023 to 30.6.2024 RM Audited	**1.10.2022 to 30.6.2023 RM Unaudited**	**1.10.2022 to 30.9.2023 RM Audited**	**1.10.2021 to 30.9.2022 RM Audited**	**1.10.2020 to 30.9.2021 RM Audited**
Customer A	5,396,903	5,839,545	14,101,789	261,365	2,473,748
Customer B	9,934,425	10,992,436	12,607,418	5,515,139	71,758

	Segment
Customer A	Manufacturing
Customer B	Manufacturing

25. Financial instruments

25.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	Carrying amount RM	**AC RM**
30.6.2024		
Financial assets		
Trade and other receivables	24,488,630	24,488,630
Deposits placed with licensed banks	2,569,833	2,569,833
Cash and cash equivalents	8,486,592	8,486,592
	35,545,055	35,545,055
Financial liabilities		
Loans and borrowings	(31,234,665)	(31,234,665)
Trade and other payables	(18,017,703)	(18,017,703)
	(49,252,368)	(49,252,368)

25. Financial instruments (continued)

25.1 Categories of financial instruments (continued)

	Carrying amount RM	AC RM
30.9.2023		
Financial assets		
Trade and other receivables	16,830,212	16,830,212
Deposits placed with licensed banks	2,569,833	2,569,833
Cash and cash equivalents	13,835,844	13,835,844
	33,235,889	33,235,889
Financial liabilities		
Loans and borrowings	(21,012,201)	(21,012,201)
Trade and other payables	(27,893,396)	(27,893,396)
	(48,905,597)	(48,905,597)
30.9.2022		
Financial assets		
Trade and other receivables	22,505,413	22,505,413
Deposits placed with licensed banks	2,513,284	2,513,284
Cash and cash equivalents	9,185,609	9,185,609
	34,204,306	34,204,306
Financial liabilities		
Loans and borrowings	(19,151,382)	(19,151,382)
Trade and other payables	(19,780,657)	(19,780,657)
	(38,932,039)	(38,932,039)
30.9.2021		
Financial assets		
Trade and other receivables*	12,206,778	12,206,778
Deposits placed with licensed banks	3,763,992	3,763,992
Cash and cash equivalents	8,413,318	8,413,318
	24,384,088	24,384,088
Financial liabilities		
Loans and borrowings	(14,430,664)	(14,430,664)
Trade and other payables	(13,965,603)	(13,965,603)
	(28,396,267)	(28,396,267)

* excluded GST receivable.

25. Financial instruments (continued)

25.2 Net losses arising from financial instruments

	1.10.2023 to 30.06.2024 RM Audited	1.10.2022 to 30.06.2023 RM Unaudited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
Net (gains)/losses on:					
Financial assets measured at amortised cost	(762,852)	(30,200)	458,950	165,695	1,383,980
Financial liabilities measured at amortised cost	999,289	758,493	766,740	789,873	550,941
	236,437	728,293	1,225,690	955,568	1,934,921

25.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

25.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. There are no significant changes as compared to prior periods.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

25. Financial instruments (continued)

25.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Exposure to credit risk and credit quality

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statement of financial position.

Concentration of credit risk

The exposure of credit risk for trade receivables and contract assets as at the end of the reporting period by geographic region was:

	30.6.2024 RM Audited	30.9.2023 RM Audited	30.9.2022 RM Audited	30.9.2021 RM Audited
Malaysia	17,471,126	13,496,435	11,758,950	13,309,862
Singapore	15,835,900	13,501,282	9,554,226	3,241,192
China	7,330,364	5,641,217	2,926,388	2,440,784
Ghana	22,584	-	1,157,730	1,116,792
Thailand	11,152,509	1,473,587	4,212,287	276,870
Indonesia	82,177	485,293	866,930	456,253
Papua New Guinea	-	-	3,597,964	-
Vietnam	143,327	185,031	787,603	229,650
Others	1,593,655	2,130,897	2,523,191	132,481
	53,631,642	36,913,742	37,385,269	21,203,884

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and take appropriate actions (including but not limited to legal actions) to recover long overdue balances. For outstanding debts past due its credit terms, the Group will start to initiate a structured debt recovery process which is monitored by management.

The Group measures expected credit loss ("ECL") of trade receivables individually. Consistent with the debt recovery process, invoices of which the trade debtor has defaulted on debt recovery arrangements are generally considered as credit impaired.

The Group assessed the risk of loss of each receivable individually based on available financial information and past trend of payments, where applicable.

25. Financial instruments (continued)

25.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM	Loss allowances RM	Net balance RM
30.6.2024			
Current (not past due)	44,432,762	-	44,432,762
1 - 30 days past due	4,053,158	-	4,053,158
31 - 60 days past due	387,730	-	387,730
61 - 90 days past due	409,601	-	409,601
More than 90 days past due	4,348,391	-	4,348,391
	53,631,642	-	53,631,642
Credit impaired			
Individually impaired	2,057,969	(2,057,969)	-
	55,689,611	(2,057,969)	53,631,642
Trade receivables	23,306,003	(2,001,784)	21,304,219
Contract assets	32,383,608	(56,185)	32,327,423
	55,689,611	(2,057,969)	53,631,642
30.9.2023			
Current (not past due)	27,499,798	-	27,499,798
1 - 30 days past due	2,906,245	-	2,906,245
31 - 60 days past due	3,553,908	-	3,553,908
61 - 90 days past due	1,138,068	-	1,138,068
More than 90 days past due	1,815,723	-	1,815,723
	36,913,742	-	36,913,742
Credit impaired			
Individually impaired	2,854,688	(2,854,688)	-
	39,768,430	(2,854,688)	36,913,742
Trade receivables	17,074,807	(2,798,503)	14,276,304
Contract assets	22,693,623	(56,185)	22,637,438
	39,768,430	(2,854,688)	36,913,742

25. Financial instruments (continued)

25.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

	Gross carrying amount RM	Loss allowances RM	Net balance RM
30.9.2022			
Current (not past due)	32,017,712	-	32,017,712
1 - 30 days past due	1,096,024	-	1,096,024
31 - 60 days past due	3,166,895	-	3,166,895
61 - 90 days past due	434,611	-	434,611
More than 90 days past due	670,027	-	670,027
	37,385,269	-	37,385,269
Credit impaired			
Individually impaired	2,728,897	(2,728,897)	-
	40,114,166	(2,728,897)	37,385,269
Trade receivables	20,173,695	(2,452,587)	17,721,108
Contract assets	19,940,471	(276,310)	19,664,161
	40,114,166	(2,728,897)	37,385,269
30.9.2021			
Current (not past due)	15,703,852	-	15,703,852
1 - 30 days past due	2,131,340	-	2,131,340
31 - 60 days past due	998,662	-	998,662
61 - 90 days past due	1,616,174	-	1,616,174
More than 90 days past due	753,856	-	753,856
	21,203,884	-	21,203,884
Credit impaired			
Individually impaired	2,468,446	(2,468,446)	-
	23,672,330	(2,468,446)	21,203,884
Trade receivables	11,608,082	(2,468,446)	9,139,636
Contract assets	12,064,248	-	12,064,248
	23,672,330	(2,468,446)	21,203,884

25. Financial instruments (continued)

25.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

The movements in the allowance for impairment in respect of trade receivables and contract assets during the period/year are shown below.

	Trade receivables Credit impaired RM	Contract assets RM	Total RM
Balance at 1 October 2020	1,257,920	-	1,257,920
Net remeasurement of loss allowance	1,237,154	-	1,237,154
Written off	(7,417)	-	(7,417)
Effect of movements in exchange rate	(19,211)	-	(19,211)
Balance at 30 September 2021/ 1 October 2021	2,468,446	-	2,468,446
Net remeasurement of loss allowance	(13,447)	276,310	262,863
Effect of movements in exchange rate	(2,412)	-	(2,412)
Balance at 30 September 2022/ 1 October 2022	2,452,587	276,310	2,728,897
Net remeasurement of loss allowance	330,321	(220,125)	110,196
Effect of movements in exchange rate	15,595	-	15,595
Balance at 30 September 2023/ 1 October 2023	2,798,503	56,185	2,854,688
Net remeasurement of loss allowance	(774,361)	-	(774,361)
Effect of movements in exchange rate	(22,358)	-	(22,358)
Balance at 30 June 2024	2,001,784	56,185	2,057,969

Cash and cash equivalents

The cash and cash equivalents are held with banks. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

25. Financial instruments (continued)

25.4 Credit risk (continued)

Other receivables

Credit risks on other receivables are mainly arising from deposits paid for hostel and office rented. These deposits will be received at the end of each lease term. The Group manages the credit risk together with the leasing arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The movements in allowance for impairment in respect of other receivables during the year is shown below:

	RM
Balance at 1 October 2020/30 September 2021/ 1 October 2021	464,669
Net remeasurement of loss allowance	103,289
Written off	(567,958)
Balance at 30 September 2022/1 October 2022/ 30 September 2023/1 October 2023/30 June 2024	-

As at 30 June 2024, RM567,958 of other receivables were written off but they are still subject to enforcement activity.

25.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings and lease liabilities.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

25. Financial instruments (continued)

25.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate/ Discount rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
30.6.2024							
Non-derivative financial liabilities							
Bank loans	22,944,462	3.00 - 4.05	30,310,556	2,281,932	2,281,932	6,217,554	19,529,138
Bankers' acceptances	8,290,203	3.76 - 5.06	8,290,203	8,290,203	-	-	-
Lease liabilities	996,431	2.08 - 5.50	1,052,265	554,369	283,801	193,138	20,957
Trade and other payables	18,017,703	-	18,017,703	18,017,703	-	-	-
	50,248,799		57,670,727	29,144,207	2,565,733	6,410,692	19,550,095
30.9.2023							
Non-derivative financial liabilities							
Bank loans	14,250,201	3.00 - 6.85	17,672,789	1,976,856	1,976,856	5,680,069	8,039,008
Bankers' acceptances	6,762,000	4.52 - 4.89	6,762,000	6,762,000	-	-	-
Lease liabilities	1,220,710	2.08 - 5.50	1,277,334	810,524	233,488	193,456	39,866
Trade and other payables	27,893,396	-	27,893,396	27,893,396	-	-	-
	50,126,307		53,605,519	37,442,776	2,210,344	5,873,525	8,078,874

25. Financial instruments (continued)

25.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM	Contractual interest rate/ Discount rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
30.9.2022							
Non-derivative financial liabilities							
Bank loans	15,447,382	2.76 - 4.12	18,489,708	2,671,752	2,671,752	6,154,178	6,992,026
Bankers' acceptances	3,704,000	3.37 - 4.55	3,704,000	3,704,000	-	-	-
Lease liabilities	2,033,824	1.98 - 4.52	2,150,909	1,189,812	757,275	203,822	-
Trade and other payables	19,780,657	-	19,780,657	19,780,657	-	-	-
	40,965,863		44,125,274	27,346,221	3,429,027	6,358,000	6,992,026
30.9.2021							
Non-derivative financial liabilities							
Bank loans	12,826,123	3.00 - 4.52	15,607,114	1,534,426	1,552,176	4,543,018	7,977,494
Bankers' acceptances	1,604,541	3.37	1,604,541	1,604,541	-	-	-
Lease liabilities	422,528	1.98 - 5.50	445,627	302,345	143,282	-	-
Trade and other payables	13,965,603	-	13,965,603	13,965,603	-	-	-
	28,818,795		31,622,885	17,406,915	1,695,458	4,543,018	7,977,494

25.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows. The Group is not exposed to other price risk.

25. Financial instruments (continued)

25.6 Market risk (continued)

25.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and bank balances that are denominated in a currency other than the functional currencies of the Group. The currencies giving rise to this risk are United States Dollar ("USD"), Great Britain Pound ("GBP"), Singapore Dollar ("SGD"), Euro Dollar ("EUR") and Renminbi ("RMB").

Risk management objectives, policies and processes for managing the risk

The Group ensures that the net exposure is kept to an acceptable level by monitoring the fluctuation of the foreign currencies.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period is as follows:

	Denominated in				
	USD RM	**SGD RM**	**GBP RM**	**EUR RM**	**RMB RM**
30.6.2024					
Balances recognised in the statement of financial position					
Trade receivables	9,472,057	459,404	240,522	179	1,634,179
Bank balances	577,333	59,833	573,062	520	4,610
Trade payables	(440,435)	(595,438)	(81,598)	(373,208)	-
Net exposure	9,608,955	(76,201)	731,986	(372,509)	1,638,789
30.9.2023					
Balances recognised in the statement of financial position					
Trade receivables	1,887,579	1,144,569	122,307	-	-
Bank balances	2,268,325	178,637	42,511	-	3,714
Trade payables	(534,100)	(399,994)	(571,143)	(755,967)	-
Net exposure	3,621,804	923,212	(406,325)	(755,967)	3,714
30.9.2022					
Balances recognised in the statement of financial position					
Trade receivables	2,308,787	1,071,795	83,952	-	25,526
Bank balances	335,199	657,580	42,408	-	313,855
Trade payables	(477,081)	(372,536)	-	(41,776)	-
Net exposure	2,166,905	1,356,839	126,360	(41,776)	339,381

25. Financial instruments (continued)

25.6 Market risk (continued)

25.6.1 Currency risk (continued)

Exposure to foreign currency risk (continued)

	Denominated in				
	USD RM	SGD RM	GBP RM	EUR RM	RMB RM
30.9.2021					
Balances recognised in the statement of financial position					
Trade receivables	346,780	137,874	73,056	-	-
Bank balances	3,579,046	639,584	115,733	-	-
Trade payables	(307,363)	(269,835)	-	(96,788)	-
Net exposure	3,618,463	507,623	188,789	(96,788)	-

Currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have RM functional currency.

A 10% (30.9.2023: 10%, 30.9.2022: 10% and 30.9.2021: 10%) strengthening of the above currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below:

	1.10.2023 to 30.6.2024 RM Audited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
USD	(730,281)	(275,257)	(164,685)	(275,003)
SGD	5,791	(70,164)	(103,120)	(3,858)
GBP	(55,631)	30,881	(9,603)	(14,348)
EUR	28,311	57,453	3,175	7,356
RMB	(124,548)	(282)	(25,793)	-

A 10% (30.9.2023: 10%, 30.9.2022: 10% and 30.9.2021: 10%) weakening of the above currencies against RM at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

25.6.2 Interest rate risk

The Group's deposits placed with licensed banks, fixed rate borrowings and lease liabilities are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

25. Financial instruments (continued)

25.6 Market risk (continued)

25.6.2 Interest rate risk (continued)

Risk management objectives, policies and processes for managing the risk

Interest rate exposure arising from the Group's borrowings is managed through the use of fixed and floating rate debts. The Group will consider entering into derivative financial instruments where necessary to achieve an appropriate mix of fixed and floating rate exposure within the Group's policy.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	30.6.2024 RM Audited	30.9.2023 RM Audited	30.9.2022 RM Audited	30.9.2021 RM Audited
Fixed rate instruments				
Financial assets	2,569,833	2,569,833	2,513,284	3,763,992
Financial liabilities	(8,744,664)	(7,369,006)	(4,509,162)	(2,524,587)
Lease liabilities	(996,431)	(1,220,710)	(2,033,823)	(422,528)
	(7,171,262)	(6,019,883)	(4,029,701)	816,877
Floating rate instruments				
Financial liabilities	(22,490,001)	(13,643,195)	(14,642,220)	(11,906,077)

Interest rate risk sensitivity analysis

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) *Cash flow sensitivity analysis for floating rate instruments*

A change of 100 basis points ("bp") in interest rates upwards/downwards at the end of the reporting period would have (decreased)/increased post-tax profit or loss in the Group by RM170,924 (1.10.2022 to 30.9.2023: RM103,688, 1.10.2021 to 30.9.2022: RM111,281 and 1.10.2020 to 30.9.2021: RM90,486) respectively. This analysis assumes that all other variables, in particular foreign exchange rates, remained constant.

25. Financial instruments (continued)

25.7 Fair value information

The carrying amounts of cash and cash equivalents, deposits placed with licensed banks, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

For floating rate bank loans, the carrying amounts also approximate the fair values as they bear variable rates of interest determined based on a margin over the lender bank's base lending rate.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Level 3 RM	Carrying amount RM
30.6.2024		
Fixed rate bank loans	452,241	454,461
30.9.2023		
Fixed rate bank loans	599,403	607,006
30.9.2022		
Fixed rate bank loans	794,732	805,162
30.9.2021		
Fixed rate bank loans	922,116	920,046

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial liabilities.

Valuation processes applied by the Group for Level 3 fair value

The Group has an established control framework in respect to the measurement of fair values of financial instruments. The Group Financial Controller has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and regularly reviews significant unobservable inputs and valuation adjustments.

26. Capital management

The Group's objectives when managing capital are to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors, who are also owners of the Group, monitor and are determined to maintain an optimal debt-to-equity ratio that complies with regulatory requirements.

The debt-to-equity ratios at the end of the reporting periods were as follows:

	Note	30.6.2024 RM Audited	30.9.2023 RM Audited	30.9.2022 RM Audited	30.9.2021 RM Audited
Total loans and borrowings	13	31,234,665	21,012,201	19,151,382	14,430,664
Total lease liabilities		996,431	1,220,710	2,033,824	422,528
		32,231,096	22,232,911	21,185,206	14,853,192
Less: Cash and cash equivalents		(8,486,592)	(13,835,844)	(9,185,609)	(8,413,318)
Less: Deposits placed with licensed banks	10	(2,569,833)	(2,569,833)	(2,513,284)	(3,763,992)
Net debt		21,174,671	5,827,234	9,486,313	2,675,882
Total equity attributable to owners of the Group		54,616,949	42,770,451	41,216,609	37,111,737
Debt-to-equity ratio		0.39	0.14	0.23	0.07

There was no change in the Group's approach to capital management during the financial period.

27. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

The Group has related party relationship with its subsidiaries, a company in which a connected person of a Director had significant financial interests in, connected person of Director and key management personnel.

27. Related parties (continued)

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group are shown below. The balances related to these transactions are shown in Notes 8 and 15.

	1.10.2023 to 30.6.2024 RM Audited	1.10.2022 to 30.6.2023 RM Unaudited	1.10.2022 to 30.9.2023 RM Audited	1.10.2021 to 30.9.2022 RM Audited	1.10.2020 to 30.9.2021 RM Audited
A. Company in which a connected person of a Director had significant financial interests in					
- Sales	-	-	(163,650)	(2,123,836)	(2,997,867)
- Purchases	-	179,576	179,576	2,500	-
- IT support expense	-	-	-	180,000	15,000
B. Connected person of Directors of the Group					
- Rental expense	91,800	91,800	122,400	97,200	39,600
C. Key management personnel					
Directors of the Group					
- Fees	125,607	42,000	42,000	42,000	52,000
- Remuneration	1,216,343	1,133,438	1,522,408	1,278,007	1,173,196
- Contribution to state plans	193,867	164,560	232,516	183,326	173,859
- Estimated money value of any other benefits	12,810	10,572	15,510	16,118	-
- Disposal of shares of a subsidiary	-	-	1,152,488	-	-
- Acquisition of shares in a subsidiary	-	-	-	-	(255,000)
	1,548,627	1,350,570	2,964,922	1,519,451	1,144,055

28. Business combinations

2023

(i) Acquisition of non-controlling interests

On 29 September 2023, Swift Energy Sdn. Bhd. further acquired the remaining 30% issued and paid-up capital in Swift Automation Sdn. Bhd. comprising 225,000 ordinary shares for a total cash consideration of RM1,728,729. Consequently, Swift Automation Sdn. Bhd. became a wholly-owned subsidiary of Swift Energy Sdn. Bhd.. The Group recognised a decrease in non-controlling interests of RM1,892,129 and an increase in retained earnings of RM163,400.

The following summarised the effect of changes in equity interest in Swift Automation Sdn. Bhd. that is attributable to owners of Swift Energy Sdn. Bhd.:

	RM
Equity interest at 1 October 2022	4,033,702
Effect of increase in SESB's ownership interest	1,892,129
Share of comprehensive income	381,267
Equity interest at 30 September 2023	6,307,098

2022

(ii) Acquisition of a subsidiary

On 10 January 2022, Swift Energy Sdn. Bhd. acquired the entire issued and paid-up capital of ALR Technologies Sdn. Bhd. comprising 100,000 ordinary shares of RM9.60 each for a total cash consideration of RM960,000. Consequently, ALR Technologies Sdn. Bhd. became a wholly-owned subsidiary of Swift Energy Sdn. Bhd..

The following summarised the consideration transferred, and the recognised amounts of assets acquired and liabilities assumed as at the acquisition date:

	10.01.2022 RM
Fair value of consideration transferred	
Cash and cash equivalents	960,000
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	7,734
Inventories	1,112,656
Trade and other receivables	240,507
Cash and cash equivalents	23,266
Current tax assets	164,439
Trade and other payables	(588,602)
Total identifiable net assets	960,000
Net cash outflow arising from acquisition of subsidiary	
Purchase consideration settled in cash and cash equivalents	(960,000)
Cash and cash equivalents acquired	23,266
Net cash outflow	(936,734)

28. Business combinations (continued)

2022 (continued)

(iii) Disposal of subsidiaries

On 20 September 2022, Swift Energy Sdn. Bhd. disposed of its entire equity interest in Swift Transformer Sdn. Bhd. and Swift Energy Limited to third parties for a total cash consideration of RM1 and RM88,000 respectively.

The carrying amounts of the subsidiaries' assets and liabilities as at 20 September 2022, and the effects of the disposal on the financial position of the Group were as follows:

	20.09.2022 RM
Plant and equipment	(187,660)
Inventories	(271,624)
Trade and other receivables	(34,005)
Cash and cash equivalents	(55,186)
Trade and other payables	1,132,675
Net liabilities	584,200
Non-controlling interest derecognised	(60,319)
Consideration received, satisfied in cash	88,001
Gain on disposal of subsidiaries	611,882
Net cash inflow arising from disposal of subsidiaries	
Consideration received, satisfied in cash	88,001
Cash and cash equivalents disposed of	(55,186)
Net cash inflow	32,815

2021

(iv) Disposal of a subsidiary

On 12 January 2021, Swift Energy Sdn. Bhd. disposed of 51% of its shareholdings in its wholly-owned subsidiary, Swift Energy Oil & Gas Sdn. Bhd. to two individuals, whom are Directors of the Group, for a total consideration of RM255,000. The disposal resulted in a gain of RM52,612.

29. Subsequent event

Acquisition of SESB

On 28 October 2024, the Company had completed the acquisition of the entire issued share capital of SESB of RM2,000,000 comprising 2,000,000 ordinary shares from its existing shareholders for a purchase consideration of RM42,781,838. The said purchase consideration has been fully satisfied by the issuance of 750,558,561 new ordinary shares of the Company at an issue price of RM0.057 per share.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388
Fax +60 (3) 7721 3399
Website www.kpmg.com.my

The Board of Directors
Swift Energy Technology Berhad
Lot 48521 (PT 25145),
Jalan Palam 34/17, Seksyen 34
40460 Shah Alam
Selangor Darul Ehsan

Date: 18 November 2024

Dear Sirs,

Reporting Accountants' opinion on the combined financial statements contained in the accountants' report of Swift Energy Technology Berhad (the "Company")

Opinion

We have audited the combined financial statements of the Company and its combining entity, Swift Energy Sdn. Bhd. and its subsidiaries (collectively the "Group"), which comprise the combined statements of financial position as at 30 June 2024, 30 September 2023, 30 September 2022 and 30 September 2021, and the combined statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period and years then ended, and notes to the combined financial statements, including a summary of significant accounting policies, as set out on pages 1 to 87. The combined financial statements of the Company have been prepared for inclusion in the Company's prospectus in connection with the initial public offering of 300,240,000 ordinary shares in the Company ("Shares") in conjunction with the listing of and quotation for the entire enlarged issued Shares on the ACE Market of Bursa Malaysia Securities Berhad ("Prospectus") ("Listing") and for no other purposes.

In our opinion, the accompanying combined financial statements give a true and fair view of the financial positions of the Group as at 30 June 2024, 30 September 2023, 30 September 2022 and 30 September 2021, and of its financial performance and cash flows for the period and years then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Directors for the Combined Financial Statements

The Board of Directors of the Company (the "Directors") are responsible for the preparation of the combined financial statements of the Company that give a true and fair view in accordance with the MFRS Accounting Standards and IFRS Accounting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of the combined financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements of the Company, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountants' report to the related disclosures in the combined financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the combined financial statements of the Company, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements of the Company. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal controls that we identify during our audit.

Other Matter

The comparative information for the combined statements of profit or loss and other comprehensive income, changes in equity and cash flow, and notes to the combined financial statements for the financial period ended 30 June 2023 has not been audited.

Restriction on Distribution and Use

This report is made solely to the Company and for inclusion in the Prospectus in connection with the Listing and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this report.

KPMG PLT	**Eric Kuo Sze-Wei**
(LLP0010081-LCA & AF 0758)	Approval Number: 03473/11/2025 J
Chartered Accountants	Chartered Accountant

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388
Fax +60 (3) 7721 3399
Website www.kpmg.com.my

The Board of Directors
Swift Energy Technology Berhad
Lot 48521 (PT 25145),
Jalan Palam 34/17, Seksyen 34
40460 Shah Alam
Selangor Darul Ehsan

Date: 18 November 2024

Dear Sirs

Swift Energy Technology Berhad (the "Company") and its combining entity (collectively, the "Group")

Report on the compilation of pro forma combined statement of financial position for inclusion in the Company's prospectus in connection with the initial public offering of 300,240,000 ordinary shares in the Company ("Shares") ("IPO") in conjunction with the listing of and quotation for the entire enlarged issued Shares on the ACE Market of Bursa Malaysia Securities Berhad ("Prospectus") ("Listing")

We have completed our assurance engagement to report on the compilation of the pro forma combined statement of financial position of the Company. The pro forma combined statement of financial position of the Company as at 30 June 2024 ("Pro Forma Financial Position") and the related notes as set out in Attachment A have been stamped by us for identification purposes. The applicable criteria on the basis on which the Board of Directors of the Company (the "Directors") has compiled the Pro Forma Financial Position are described in the notes to the Pro Forma Financial Position. The Pro Forma Financial Position is prepared in accordance with the requirements of Chapter 9, Part II Division I: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Financial Position has been compiled by the Directors for inclusion in the Prospectus solely to illustrate the impact of events or transactions as set out in the notes of Attachment A on the Group's statement of financial position as at 30 June 2024, as if the events or transactions had taken place on 30 June 2024. As part of this process, information about the Group's financial position have been extracted by the Directors from the accountants' report on the combined financial statements of the Company for the period ended 30 June 2024, on which an audit report dated on 18 November 2024 has been issued.

Directors' Responsibility for the Pro Forma Financial Position

The Directors are responsible for compiling the Pro Forma Financial Position on the basis described in the notes of Attachment A as required by the Prospectus Guidelines.

Reporting Accountants' Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the *By-Laws (On Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion as required by the Prospectus Guidelines about whether the Pro Forma Financial Position has been compiled, in all material respects, by the Directors on the basis described in the notes of Attachment A.

We conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Financial Position on the basis described in the notes of Attachment A.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Position.

The purpose of the Pro Forma Financial Position included in the Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

Swift Energy Technology Berhad (the "Company")
Report on the compilation of pro forma combined statement of financial position for inclusion in the Prospectus in connection with the Listing
18 November 2024

Opinion

In our opinion, the Pro Forma Financial Position has been compiled, in all material respects, on the basis described in the notes of Attachment A.

Other Matter

Our report on the Pro Forma Financial Position has been prepared for inclusion in the Prospectus in connection with the Listing and should not be relied upon for any other purposes.

KPMG PLT	**Eric Kuo Sze-Wei**
(LLP0010081-LCA & AF 0758)	Approval number: 03473/11/2025 J
Chartered Accountants	Chartered Accountant

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION *(Cont'd)*

Attachment A

Swift Energy Technology Berhad (the "Company") and its combining entity (collectively, the "Group")
Pro Forma Financial Position and the notes thereon

Pro Forma Financial Position

The pro forma combined statement of financial position of the Company as at 30 June 2024 ("Pro Forma Financial Position") as set out below has been prepared for illustrative purposes only to show the effects of the transactions referred to in Note 2 had these transactions been effected on 30 June 2024, and should be read in conjunction with the said notes to the Pro Forma Financial Position.

			Pro Forma I	Pro Forma II	Pro Forma III
	Notes	As at 30 June 2024* RM	After adjustment for subsequent event RM	After Pro Forma I and IPO RM	After Pro Forma II and the utilisation of proceeds RM
Assets					
Property, plant and equipment		22,553,768	22,553,768	22,553,768	22,553,768
Right-of-use assets		2,041,581	2,041,581	2,041,581	2,041,581
Deferred tax assets		279,110	279,110	279,110	279,110
Total non-current assets		24,874,459	24,874,459	24,874,459	24,874,459
Inventories		16,397,552	16,397,552	16,397,552	16,397,552
Trade and other receivables		24,488,630	24,488,630	24,488,630	24,488,630
Contract assets		32,327,423	32,327,423	32,327,423	32,327,423
Prepayments		541,956	541,956	541,956	541,956
Current tax assets		866,226	866,226	866,226	866,226
Deposits placed with licensed banks		2,569,833	2,569,833	2,569,833	2,569,833
Cash and bank balances	3(a)	8,486,592	8,486,592	78,542,592	59,512,592
Total current assets		85,678,212	85,678,212	155,734,212	136,704,212
Total assets		110,552,671	110,552,671	180,608,671	161,578,671

* *Extracted from the accountants' report on the combined financial statements of the Company for the financial period ended 30 June 2024 ("Accountants' Report").*

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION *(Cont'd)*

Attachment A

Swift Energy Technology Berhad (the "Company") and its combining entity (collectively, the "Group")
Pro Forma Financial Position and the notes thereon

			Pro Forma I	**Pro Forma II**	**Pro Forma III**
	Notes	**As at 30 June 2024* RM**	**After adjustment for subsequent event RM**	**After Pro Forma I and IPO RM**	**After Pro Forma II and the utilisation of proceeds RM**
Equity					
Share capital	3(b)	41,439	42,823,277	112,879,277	109,954,277
Invested equity	3(c)	2,000,000	-	-	-
Retained earnings	3(d)	51,164,153	51,164,153	51,164,153	50,253,153
Translation reserve		1,411,357	1,411,357	1,411,357	1,411,357
Merger reserve	3(e)	-	(40,781,838)	(40,781,838)	(40,781,838)
Total equity attributable to owners of the Group		54,616,949	54,616,949	124,672,949	120,836,949
Non-controlling interests		329,563	329,563	329,563	329,563
Total equity		54,946,512	54,946,512	125,002,512	121,166,512
Liabilities					
Loans and borrowings	3(f)	21,571,625	21,571,625	21,571,625	6,571,625
Lease liabilities		466,207	466,207	466,207	466,207
Deferred income		422,387	422,387	422,387	422,387
Deferred tax liabilities		297,721	297,721	297,721	297,721
Total non-current liabilities		22,757,940	22,757,940	22,757,940	7,757,940
Loans and borrowings		9,663,040	9,663,040	9,663,040	9,663,040
Lease liabilities		530,224	530,224	530,224	530,224
Deferred income		331,579	331,579	331,579	331,579
Trade and other payables	3(g)	18,017,703	18,017,703	18,017,703	17,823,703
Contract liabilities		3,062,005	3,062,005	3,062,005	3,062,005
Current tax liabilities		1,243,668	1,243,668	1,243,668	1,243,668
Total current liabilities		32,848,219	32,848,219	32,848,219	32,654,219
Total liabilities		55,606,159	55,606,159	55,606,159	40,412,159
Total equity and liabilities		110,552,671	110,552,671	180,608,671	161,578,671

** Extracted from the accountants' report on the combined financial statements of the Company for the financial period ended 30 June 2024 ("Accountants' Report").*

Attachment A

Swift Energy Technology Berhad (the "Company") and its combining entity (collectively, the "Group")
Pro Forma Financial Position and the notes thereon

Notes to the Pro Forma Financial Position

The Pro Forma Financial Position has been prepared for inclusion in the prospectus of the Company in connection with the initial public offering of 300,240,000 ordinary shares in the Company ("IPO") in conjunction with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Prospectus") ("Listing") and should not be relied upon for any other purposes.

1. Basis of preparation

The applicable criteria on the basis of which the Board of Directors of the Company ("Directors") has compiled the Pro Forma Financial Position are as described below. The Pro Forma Financial Position is prepared in accordance with the requirements of Chapter 9 of the Prospectus Guidelines issued by the Securities Commission Malaysia and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Financial Position has been prepared based on the combined financial statements of the Company for the financial period ended 30 June 2024 as contained in the Accountants' Report, which were prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), and in a manner consistent with the format of the statement of financial position and the accounting policies adopted by the Group, and adjusted for the events and transactions detailed in Note 2.

The pro forma adjustments are appropriate for the purpose of preparing the Pro Forma Financial Position.

The audit report dated 18 November 2024 on the Accountants' Report was not subject to any qualification, modification or disclaimer of opinion.

The Pro Forma Financial Position is not necessarily indicative of the financial position that would have been attained had the IPO actually occurred at the respective dates. The Pro Forma Financial Position has been prepared for illustrative purposes only.

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2. Pro forma adjustments to the Pro Forma Financial Position

The Pro Forma Financial Position illustrates the effects of the following events or transactions:

2.1 Pro Forma I - Adjustment for subsequent event

(i) Acquisition of Swift Energy Sdn. Bhd. ("SESB")

On 28 October 2024, the Company had completed the acquisition of the entire issued share capital of SESB comprising 2,000,000 ordinary shares from its existing shareholders for a purchase consideration of RM42,781,838. The said purchase consideration has been fully satisfied by the issuance of 750,558,561 new ordinary shares of the Company at an issue price of RM0.057 per share, which will be issued to the shareholders of SESB, namely Tan Bin Chee, Chin Saw Yong and Blueprint Capital Sdn. Bhd. ("Blueprint Capital") ("Acquisition of SESB").

The Acquisition of SESB is accounted for using book value accounting. Under book value accounting, the difference between the consideration paid and the share capital of the acquiree is accounted for as merger reserve.

2.2 Pro Forma II - IPO

The IPO entails the initial public offering of 300,240,000 Shares in the Company, and comprises the following transactions:

(i) Public Issue

The public issue of 250,200,000 new ordinary shares in the Company ("Issue Share(s)") at the indicative price of RM0.28 per Issue Share.

(ii) Offer for Sale

The offer for sale of 50,040,000 existing ordinary shares in the Company ("Offer Share(s)") by Chin Saw Yong and Blueprint Capital (collectively referred to as "the Selling Shareholders"), at the indicative price of RM0.28 per Offer Share by way of private placement to selected investors.

The Company will not receive any proceeds from the Offer for Sale. The gross proceeds of RM14,011,200 from the Offer for Sale will accrue entirely to the Selling Shareholders.

Attachment A

Swift Energy Technology Berhad (the "Company") and its combining entity (collectively, the "Group")
Pro Forma Financial Position and the notes thereon

2. Pro forma adjustments to the Pro Forma Financial Position (continued)

2.3 Pro Forma III - Utilisation of proceeds

The total gross proceeds from the Public Issue of RM70,056,000 are intended to be used as follows:

	RM
Capital expenditure[(1)]	35,710,000
Repayment of borrowing[(2)]	15,000,000
Working capital	13,346,000
Estimated listing expenses[(3)]	6,000,000
	70,056,000

Notes:

(1) The breakdown of capital expenditure amounting to RM35,710,000 is set out below:

	RM
Expansion of fabrication facility, storage, office and new research and development ("R&D") centre	28,000,000
Purchase of machineries, equipment and software	2,200,000
Setting up a dedicated R&D centre	1,480,000
Business expansion	4,030,000
	35,710,000

As at the latest practicable date, the Company has yet to enter into any contractual binding arrangements or issued any purchase orders in relation to the above capital expenditure. Accordingly, the use of proceeds earmarked for capital expenditure is not reflected in the Pro Forma Financial Position.

(2) RM15.0 million is intended to be used for the partial repayment of an Islamic wholesale term financing facility granted by United Overseas Bank (Malaysia) Berhad ("UOB Term Financing Facility").

(3) The estimated listing expenses comprise the following:

	RM
Professional fees	3,300,000
Brokerage, underwriting and placement fees	2,000,000
Fees to authorities	100,000
Other fees and expenses such as printing, translation, advertising fees and contingencies	600,000
	6,000,000

The total listing expenses to be borne by the Company is estimated to be approximately RM6.0 million. As of 30 June 2024, RM2,164,000 has been charged to the profit or loss account of the Group, of which RM1,970,000 has been paid.

Upon completion of the IPO, the estimated listing expenses of approximately RM2,925,000 will be set-off against equity and the remaining estimated listing expenses of approximately RM911,000 will be charged out to the profit or loss of the Group.

Attachment A

Swift Energy Technology Berhad (the "Company") and its combining entity (collectively, the "Group")
Pro Forma Financial Position and the notes thereon

3. Effects on the Pro Forma Financial Position

(a) Movement in cash and cash equivalents

	RM
Balance as at 30 June 2024 / Pro Forma I	8,486,592
Effects of Pro Forma II:	
- Public Issue	70,056,000
Pro Forma II	78,542,592
Effects of Pro Forma III:	
- Repayment of borrowing	(15,000,000)
- Estimated listing expenses	(4,030,000)
Pro Forma III	59,512,592

(b) Movement in share capital

	RM
Balance as at 30 June 2024	41,439
Effects of Pro Forma I:	
- Acquisition of SESB	42,781,838
Pro Forma I	42,823,277
Effects of Pro Forma II:	
- Public Issue	70,056,000
Pro Forma II	112,879,277
Effects of Pro Forma III:	
- Estimated listing expenses directly attributable to the Public Issue	(2,925,000)
Pro Forma III	109,954,277

(c) Movement in invested equity

	RM
Balance as at 30 June 2024	2,000,000
Effects of Pro Forma I:	
- Acquisition of SESB	(2,000,000)
Pro Forma I, II and III	-

3. Effects on the Pro Forma Financial Position (continued)

(d) Movement in retained earnings

	RM
Balance as at 30 June 2024 / Pro Forma I and II	51,164,153
Effects of Pro Forma III:	
- Estimated listing expenses charged to profit or loss of the Group	(911,000)
Pro Forma III	50,253,153

(e) Movement in merger reserve

	RM
Balance as at 30 June 2024	-
Effects of Pro Forma I:	
- Acquisition of SESB	(40,781,838)
Pro Forma I, II and III	(40,781,838)

(f) Movement in loans and borrowings – non-current liabilities

	RM
Balance as at 30 June 2024 / Pro Forma I and II	21,571,625
Effects of Pro Forma III:	
- Repayment of borrowing	(15,000,000)
Pro Forma III	6,571,625

(g) Movement in trade and other payables

	RM
Balance as at 30 June 2024 / Pro Forma I and II	18,017,703
Effects of Pro Forma III:	
- Reversal of accrued estimated listing expenses upon payment using proceeds from the Public Issue	(194,000)
Pro Forma III	17,823,703

14. STATUTORY AND OTHER INFORMATION

14.1 OUR SHARE CAPITAL

As at the LPD, our issued share capital is RM42,823,277 comprising 750,600,000 Shares. The movements in our share capital since the date of our incorporation are set out below:

Date of allotment	No. of Shares allotted	Consideration/ Types of issue	Cumulative share capital RM
12 September 2022	2	RM2/ Subscribers' share in cash	2
15 March 2024	41,437	RM41,437/ Allotment of shares in cash	41,439
28 October 2024	750,558,561	RM42,781,838/ Allotment of shares pursuant to the Acquisition of SESB	42,823,277

As at the date of this Prospectus, we only have one class of shares, namely, ordinary shares, all of which rank equally with one another and we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Upon completion of our IPO, our enlarged share capital will increase to RM109,954,277 comprising 1,000,800,000 Shares.

Save for the Pink Form Allocations as disclosed in Section 4.3.3,

(a) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our subsidiaries; and

(b) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiaries.

Save for the issuance of our subscribers' shares upon our incorporation, Subscription of Shares, new Shares issued and to be issued for the Acquisition of SESB and Public Issue, and issuance of shares in our subsidiaries as disclosed under section 14.2, no shares of our Company or our subsidiaries have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past 2 years immediately preceding the date of this Prospectus. Other than our Public Issue as disclosed in Section 4.3, there is no intention on the part of our Directors to further issue any Shares on the basis of this Prospectus.

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14.2 SHARE CAPITAL OF OUR SUBSIDIARIES

14.2.1 ALR

ALR's share capital as at LPD is RM100,000 comprising 100,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital RM
28 February 2006	2	RM2/ Subscribers' shares in cash	2
6 July 2011	99,998	RM99,998/ Allotment of shares otherwise than cash	100,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in ALR. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

ALR is our indirect wholly-owned subsidiary. The directors of ALR are Tan Bin Chee and Chin Saw Yong.

As at the LPD, ALR does not have any subsidiary and/or associated company.

14.2.2 Chongqing Swift China

Under the PRC laws, the registered capital refers to the total amount of equity or capital contributions which shareholders commit to pay into (or at least are responsible for) a foreign-invested enterprise. The total amount of investment refers to the funds which a foreign-invested enterprise needs to realise the company's operations as set out in their Articles of Association. The difference (if any) between the amount of registered capital and the amount of total amount of investment can be made up by using shareholder loans (or other form of foreign loans). However, it is legitimate and acceptable to have the total amount of investment the same as registered capital (which means all capital will be contributed by shareholders in the form of equity investment). According to Article 12 and 13 of the Articles of Association of the Chongqing Swift China dated 19 March 2019, the registered capital and total amount of investment of the Chongqing Swift China are both RMB3,900,000 and has been paid off.

Chongqing Swift China is our indirect wholly-owned subsidiary. The director of Chongqing Swift China is Chin Saw Yong.

As at the LPD, Chongqing Swift China does not have any subsidiary and/or associated company.

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14.2.3 PMAS

PMAS's share capital as at LPD is RM2,500,000 comprising 2,500,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital RM
2 June 2006	2	RM2/ Subscribers' shares in cash	2
15 May 2007	99,998	RM99,998/ Allotment of shares in cash	100,000
6 September 2021	2,400,000	RM2,400,000/ Allotment of shares in cash	2,500,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in PMAS. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

PMAS is our indirect wholly-owned subsidiary. The directors of PMAS are Tan Bin Chee and Chin Saw Yong.

As at the LPD, PMAS does not have any subsidiary and/or associated company.

14.2.4 SASB

SASB's share capital as at LPD is RM750,000 comprising 750,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital RM
19 January 2009	2	RM2/ Subscribers' shares in cash	2
30 July 2009	499,998	RM499,998/ Allotment of shares in cash	500,000
21 October 2013	250,000	RM250,000/ Allotment of shares in cash	750,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in SASB. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

SASB is our indirect wholly-owned subsidiary. The directors of SASB are Tan Bin Chee, Chin Saw Yong and Lok Wei Seng.

As at the LPD, SASB does not have any subsidiary and/or associated company.

14.2.5 SEOG

SEOG's share capital as at LPD is RM500,000 comprising 500,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital RM
15 August 2001	10	RM10/ Subscribers' shares in cash	10
2 January 2002	29,990	RM29,990/ Allotment of shares in cash	30,000
15 May 2002	70,000	RM70,000/ Allotment of shares in cash	100,000
17 December 2002	50,000	RM50,000/ Allotment of shares in cash	150,000
1 March 2004	100,000	RM100,000/ Allotment of shares in cash	250,000
1 October 2007	250,000	RM250,000/ Allotment of shares in cash	500,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in SEOG. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

SEOG is our indirect 49.00%-owned subsidiary. The directors of SEOG are Tan Bin Chee, Suzana Binti Abu Bakar and Roslina Binti Sijak.

As at the LPD, SEOG does not have any subsidiary and/or associated company.

14.2.6 SESB

SESB's share capital as at LPD is RM2,000,000 comprising 2,000,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital RM
19 June 2000	2	RM2/ Subscribers' shares in cash	2
10 November 2000	99,998	RM99,998/ Allotment of shares in cash	100,000
15 August 2002	70,000	RM70,000/ Allotment of shares in cash	170,000

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital RM
17 December 2002	80,000	RM80,000/ Allotment of shares in cash	250,000
1 March 2004	70,000	RM70,000/ Allotment of shares in cash	320,000
5 July 2004	180,000	RM180,000/ Allotment of shares in cash	500,000
16 February 2009	500,000	RM500,000/ Allotment of shares otherwise than cash	1,000,000
11 October 2010	1,000,000	RM1,000,000/ Allotment of shares otherwise than cash	2,000,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in SESB. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

SESB is our wholly-owned subsidiary. The directors of SESB are Tan Bin Chee, Chin Saw Yong and Suzana Binti Abu Bakar.

As at the LPD, ALR, Chongqing Swift China, PMAS, SASB, SE Singapore and SSMSC are the wholly-owned subsidiaries of SESB, SE Thailand is a 98.88%-owned subsidiary of SESB and SEOG is a 49.00%-owned subsidiary of SESB.

14.2.7 SE Singapore

SE Singapore's share capital as at LPD is SGD940,000 comprising 940,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital SGD
11 January 2007	2	SGD2/ Subscriber' shares in cash	2
1 July 2007	49,998	SGD49,998/ Allotment of shares in cash	50,000
29 September 2008	200,000	SGD200,000/ Allotment of shares in cash pursuant to the capitalisation of an inter-company loan	250,000

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital SGD
15 March 2013	250,000	SGD250,000/ Allotment of shares in cash pursuant to the capitalisation of an inter-company loan	500,000
23 September 2021	440,000	SGD440,000/ Allotment of shares in cash pursuant to the capitalisation of an inter-company loan	940,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in SE Singapore. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

SE Singapore is our indirect wholly-owned subsidiary. The director of SE Singapore is Tan Bin Chee.

As at the LPD, SE Singapore does not have any subsidiary and/or associated company.

14.2.8 SE Thailand

SE Thailand's share capital as at LPD is THB18,000,000 comprising 180,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital THB
4 January 2011	10,000	THB250,000/ Subscribers' shares in cash	250,000
29 June 2012	90,000	THB2,250,000/ Allotment of shares in cash	2,500,000
23 February 2016	-	THB1,400,000/ Shareholders paid for the remaining paid-up shares in cash	3,900,000
22 March 2016	-	THB850,000/ Shareholders paid for the remaining paid-up shares in cash	4,750,000
19 May 2016	-	THB400,000/ Shareholders paid for the remaining paid-up shares in cash	5,150,000

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital THB
25 May 2016	-	THB250,000/ Shareholders paid for the remaining paid-up shares in cash	5,400,000
15 February 2019	80,000	THB8,000,000/ Allotment of shares in cash and THB4,600,000/ Shareholders paid for the remaining paid-up shares in cash	18,000,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in SE Thailand. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

SE Thailand is our indirect 98.88%-owned subsidiary. The directors of SE Thailand are Tan Bin Chee, Chin Saw Yong and Pacharapat Petpudpong.

As at the LPD, SE Thailand does not have any subsidiary and/or associated company.

14.2.9 SSMSC

SSMSC's share capital as at LPD is RM1,000,000 comprising 1,000,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital RM
13 July 2006	2	RM2/ Subscribers' shares in cash	2
30 September 2007	99,998	RM99,998/ Allotment of shares in cash	100,000
11 October 2010	900,000	RM900,000/ Allotment of shares otherwise than cash	1,000,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in SSMSC. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

SSMSC is our indirect wholly-owned subsidiary. The directors of SSMSC are Tan Bin Chee and Chin Saw Yong.

As at the LPD, SSMSC does not have any subsidiary and/or associated company.

14.3 CONSTITUTION

The following provisions are extracted from our Constitution. Terms defined in our Constitution shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires. The following provisions extracted from our Constitution are based on the current Listing Requirements and the Act.

(a) Remuneration, voting and borrowing powers of our Directors

Remuneration of Directors

Clause 84 - Appointment of Managing and Executive Directors

A Managing Director or an Executive Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, bonus, commission, or participation in profits, or partly in one way and partly in another and other benefits) as the Board of Directors may determine.

Clause 89 - Appointment of Alternate Director

An Alternate Director:

(i) has no entitlement to receive remuneration from the Company and any fee paid by the Company to the Alternate Director shall be deducted from the Appointer's remuneration; and

(ii) is entitled to be reimbursed for all the travelling and other expenses properly incurred by him in attending the Board Meetings on behalf of the Appointer from the Company.

Clause 90(2) - Appointment of Associate Director

The Board may fix, determine and vary the powers, duties and remuneration of any person appointed as an associate director.

Clause 93 – Remuneration of Directors

(i) The Company may from time to time by an ordinary resolution passed at a General Meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors.

(ii) Subject to Clause 84, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders' approval at a General Meeting.

(iii) If the fee of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

(iv) The following expenses shall be determined by the Directors:

(aa) Traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company; and

(bb) Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties.

(v) Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 but such remuneration shall not include a commission on or percentage of turnover.

Voting and borrowing powers of our Directors

Clause 62 - Casting Vote

In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the General Meeting at which the show of hands takes place or at which the poll is carried out is entitled to a second or casting vote.

Clause 95 - Powers of Directors

Without limiting the generality of Clause 94(1) and (2), the Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

(i) borrow money;

(ii) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;

(iii) issue debentures and other Securities whether outright or as security; and/or

(iv) (aa) lend and advance money or give credit to any person or company;

(bb) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company;

(cc) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company; and otherwise to assist any person or company.

Clause 102(7) - Delegation of Powers

Questions arising at any meeting of the committee must be determined by a majority of votes of the members present, and in the case of an equality of votes, the chairperson has a second or casting vote, except where 2 members form a quorum, the chairperson of a meeting at which only such a quorum is present, or at which only 2 members are competent to vote on the question at issue shall not have a casting vote.

Clause 105 – Directors' Interest in Contracts

(i) A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest.

(ii) Every Director shall observe the provisions of Sections 221 and 222 of the Act relating to the disclosure of the interest of the Directors in contracts or proposed contracts with the Company or of any office or property held by the Directors which might create duties or interest in conflict with their duties or interest as Directors and participation in discussion and voting. Such disclosure of material personal interest by the Directors shall be in the form of a notice. Such notice shall be in the form and manner prescribed under Section 221 of the Act.

Clause 118 - Voting at Board Meetings

(i) Subject to this Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors.

(ii) Each Director is entitled to cast 1 vote on each matter for determination.

Clause 119 - Casting Vote

In the case of an equality of votes, the chairperson of the Board Meeting is entitled to a second or casting vote, except where 2 Directors form a quorum, the chairperson of a meeting at which only such a quorum is present, or at which only 2 Directors are competent to vote on the question at issue shall not have a casting vote.

(b) Changes to share capital

Clause 12 – Issue of Securities

(i) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act, the Listing Requirements and this Constitution, the Directors have the right to:

(aa) issue and allot shares in the Company; and

(bb) grant rights to subscribe for shares or options over unissued shares in the Company.

(ii) Subject to the Act, the Listing Requirements, this Constitution and the relevant Shareholders' approval being obtained, the Directors may issue any shares (including rights or options over subscription of such shares):

(aa) with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine;

(bb) to any person, whether a Member or not, in such numbers or proportions as the Directors may determine; and

(cc) for such consideration as the Directors may determine.

(iii) (aa) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.

(bb) The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company

(cc) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.

(iv) Subject to Rule 6.07 of the Listing Requirements and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company must not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% of the total number of issued shares (excluding treasury shares) of the Company except where the shares or convertible securities are issued with the prior shareholder approval in a General Meeting of the precise terms and conditions of the issue.

(v) (aa) The Company may pay commission (including brokerage) subject to the following:

(i) the commission shall not exceed the rate of 10% of the price at which the shares in respect whereof the same is paid are issued; or

(ii) the commission shall not exceed an amount equal to 10% of that price,

whichever is lesser;

(bb) The rate if commission shall be disclosed in the manner prescribed in the Act; and

(cc) The said commission may be satisfied by payment in cash or shares (fully or partly paid shares) or partly in one way and partly in the other. For the purpose of Clause 12(5), commission includes brokerage and the rates referred to in Clause 12(5)(a) shall not apply to brokerage.

(vi) Subject to Section 130 of the Act, where any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest or returns on the amount of such share capital as is for the time being paid up and charge the interest or returns paid to share capital as part of the cost of construction of the works, buildings or the provision of any plant.

Clause 46 – Alteration of Capital

(i) The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements:

(aa) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or

(bb) subdivide its shares or any of them into shares, whichever is in the subdivision; the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

(ii) The Company may from time to time by special resolution and subject to other applicable requirements:

(aa) cancel shares which, at the date of the passing of the resolution in that regard, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled or in such other manner allowed by law; or

(bb) reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained.

(iii) The Company shall have the power, subject to and in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines in respect thereof for the time being in force, to purchase its own shares and thereafter to deal with the shares purchased in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines thereunder or issued by Bursa Securities and any other relevant authorities in respect thereof.

(c) Transfer of securities

Clause 14 – Transfer of securities

The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities.

Clause 15 – Transmission of Securities

Where:

(i) the Securities of the Company are listed on another stock exchange; and

(ii) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such Securities,

the Company shall, upon request of a Securities holder, permit a transmission of Securities held by such Securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such Securities.

Clause 17(1) – Transfer of Shares or Debentures

Subject to this Constitution and other written laws, any Shareholder or debenture holder may transfer all or any of his shares or debentures by instrument of transfer as prescribed under the Act.

Clause 19 – Transfer of Shares or Debentures

(i) The Directors may decline or delay to register the transfer of shares within 30 days from the receipt of the instrument of transfer if:

(aa) the shares are not fully paid shares;

(bb) the Directors passed a resolution with full justification to refuse or delay the registration of transfer;

(cc) the Company has a lien on the shares; and/or

(dd) the Shareholder fails to pay the Company an amount due in respect of those shares, whether by way of consideration for the issue of the shares or in respect of the sums payable by the Shareholder in accordance with this Constitution.

(ii) Where applicable, the Company shall send a notice of the resolution referred to in Clause 19(1)(b) to the transferor and transferee, within 7 days of the resolution being passed by the Directors.

(d) Rights, preferences and restrictions attached to each class of shares relating to voting, dividend, liquidation and any special rights

Clause 8(1) – Variation of rights

If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:

(i) with the consent in writing of the holders holding not less than 75% of the total voting rights of the holders of that class of shares; or

(ii) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.

14.4 GENERAL INFORMATION

(a) Save for the dividends paid to the shareholders of our subsidiaries in FYE 2021, FYE 2022, FYE 2023 and FPE 2024 as disclosed in Section 11.7 of this Prospectus, and Directors' remuneration as disclosed in Section 5.5.1 of this Prospectus, no other amount or benefit has been paid or given within the past 2 years immediately preceding the date of this Prospectus, nor is it intended to be paid or given, to any of our Promoters, Directors or substantial shareholders.

(b) Save as disclosed in Section 9.1, none of our Directors or substantial shareholders have any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.

(c) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the details of the summarised procedures for application of our Shares are set out in Section 15.

(d) There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

14.5 CONSENTS

(a) The written consents of the Principal Adviser, Sponsor, Underwriter, Placement Agent, Solicitors for our Listing in respect of the laws of Malaysia, Solicitors for our Listing in respect of the laws of China, Solicitors for our Listing in respect of the laws of Singapore, Solicitors for our Listing in respect of the laws of Thailand, Share Registrar, Company Secretary and Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn;

(b) The written consents of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report on the combined financial statements of Swift Energy and the Reporting Accountants' report on the pro forma combined statement of financial position in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn; and

(c) The written consent of the IMR to the inclusion in this Prospectus of its name and the IMR Report, in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not been subsequently withdrawn.

14.6 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company during normal business hours for a period of 6 months from the date of this Prospectus:

(a) Constitution;

(b) Audited financial statements for:

   (i) our Company since incorporation (i.e. 12 September 2022) up to 30 September 2023 and FPE 2024; and

   (ii) ALR, Chongqing Swift China, PMAS, SASB, SEOG, SESB, SE Singapore, SE Thailand and SSMSC for FYE 2021, FYE 2022 and FYE 2023;

(c) Accountants' Report on the combined financial statements of Swift Energy as set out in Section 12;

(d) Reporting Accountants' report on the pro forma combined statements of financial position as set out in Section 13;

(e) IMR Report as set out in Section 7;

(f) Material contracts as set out in Section 6.7; and

(g) Letters of consent as set out in Section 14.5.

14.7 RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

M & A Securities acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

15.1 OPENING AND CLOSING OF APPLICATION PERIOD

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 9 December 2024

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 23 December 2024

In the event of any changes to the date or time for closing, we will make an announcement on Bursa Securities' website and advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

Late Applications will not be accepted.

15.2 METHODS OF APPLICATIONS

15.2.1 Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors	Application Method
Applications by our eligible Directors and employees of our Group	Pink Application Form only
Applications by the Malaysian Public:	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

15.2.2 Placement

Types of Application	Application Method
Applications by selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.
Applications by Bumiputera investors approved by MITI	MITI will contact the Bumiputera investors directly. They should follow MITI's instructions.

Selected investors and Bumiputera investors approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

15.3 ELIGIBILITY

15.3.1 General

You must have a CDS Account and a correspondence address in Malaysia. If you do not have a CDS Account, you may open a CDS Account by contacting any of the ADAs set out in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities. **The CDS Account must be in your own name. Invalid, nominee or third party CDS Accounts will not be accepted for the Applications.**

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

15.3.2 Application by Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

(a) You must be one of the following:

(i) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or

(ii) a corporation/ institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/ trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

(iii) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

(b) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and

(c) You must submit Applications by using only one of the following methods:

(i) White Application Form; or

(ii) Electronic Share Application; or

(iii) Internet Share Application.

15.3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated Issue Shares. Applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus.

15.4 APPLICATION BY WAY OF APPLICATION FORM

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.28 for each IPO Share.

Payment must be made out in favour of "**TIIH SHARE ISSUE ACCOUNT NO. 784**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

(a) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Tricor Investor & Issuing House Services Sdn Bhd
(Registration No.: 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

(b) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

so as to arrive not later than 5.00 p.m. on 23 December 2024 or by such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

15.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATION

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

15.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATION

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions or Participating Securities Firms, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, Malayan Banking Berhad, Public Bank Berhad CGS-CIMB Securities Malaysia Sdn Bhd (formerly known as CGS-CIMB Securities Sdn Bhd), Malacca Securities Malaysia Sdn Bhd and Moomoo Securities Malaysia Sdn Bhd. A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions or Participating Securities Firms.

15.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

(a) reject Applications which:

(i) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

(ii) are illegible, incomplete or inaccurate; or

(iii) are accompanied by an improperly drawn up or improper form of remittance; or

(b) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(c) bank in all Application monies (including those from unsuccessful/ partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 15.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at anytime within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

15.8 OVER/ UNDERSUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of our IPO Shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at https://tiih.online within 1 Market Day after the balloting event.

Under the Listing Requirements, at least 25.00% of our enlarged share capital for which listing is sought must be in hands of a minimum number of 200 public shareholders, each holding not less than 100 Shares each upon our admission to the ACE Market. We expect to achieve the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing. In such an event, we will return in full, without interest, all monies paid in respect of all the Applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

In the event of any undersubscription of our Issue Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation provisions set out Section 4.3.4 of this Prospectus, any of the aforementioned Issue Shares not applied for will then be subscribed by the Underwriter subject to the terms and conditions of the Underwriting Agreement.

15.9 UNSUCCESSFUL/ PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/ partially successful in your Application, your Application Monies (without interest) will be refunded to you in the following manner.

15.9.1 For applications by way of Application Forms

(a) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/ distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/ registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

(b) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary/ registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (a) and (b) above (as the case may be).

(d) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/ distribution) or by issuance of banker's draft sent by ordinary/ registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (b) above (as the case may be).

15.9.2 For applications by way of Electronic Share Application and Internet Share Application

(a) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution or Participating Securities Firms (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.

(b) You may check your account on the 5th Market Day from the balloting date.

(c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

15.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

(a) Our IPO Shares allotted to you will be credited into your CDS Account.

(b) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(c) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/ offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

(d) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

15.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. 03-2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution or Participating Securities Firms and Authorised Financial Institution

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House website at https://tiih.online, **one Market Day** after the balloting date.

You may also check the status of your Application at the above website, **5 Market Days** after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.

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APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS

Save as disclosed below, there are no other major approvals, licenses and permits issued to our Group in order to carry out our operations:

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
1.	SESB	Majlis Bandaraya Shah Alam ("**MBSA**")	8 November 2024/ 31 December 2025	MBSA/LSP/LS/600-3/1/0361-11 / Temporary Industrial Licence SESB has a temporary licence to sell/service, manufacture/process, wholesale/store electrical/mechanical equipment and to place signboard for advertisement at Lot 48521 (PT 25145), Jalan Palam 34/17, Seksyen 34, 40460 Shah Alam, Selangor.	MBSA reserves the right to suspend or cancel this temporary licence at any time without assigning any reason and compensating for any losses arising from it.	Noted
2.	SESB	MITI	22 December 2021/ valid until and unless revoked or surrendered	A 024256/A 040380 / Manufacturing Licence SESB has a licence to act as a licensed manufacturer at Lot 48521 (PT25145), Jalan Palam 34/17, Seksyen 34, 40460 Shah Alam, Selangor Darul Ehsan to manufacture solar power system.	(a) Site: Lot 48521 (PT 25145), Jalan Palam 34/17, Seksyen 34, 40460 Shah Alam, Selangor Darul Ehsan (subject to approval from the relevant State Government).	Complied
					(b) Any sale of shares of the company must be notified to the MITI and MIDA.	Complied
					(c) The company shall train local employees so that the transfer of technology and expertise can be channelled to all levels of designations.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
					(d) The company shall comply with the requirements of the Capital Investment Per Employee of at least RM140,000.00.	Complied
					(e) The total full-time workforce of the company shall consist of at least 80% local. The employment of foreigner including outsourced workers is subject to the current policies.	Complied
					(f) The company shall submit information on the performance of its investment and the implementation of its project under Industrial Co-ordination Act 1975 and Malaysian Industrial Development Authority (Incorporation) Act 1965 when required by MIDA. Failure to submit such information may result in the following: (i) Company being guilty of an offence and liable to a fine not exceeding RM1,000 or to imprisonment for a term not exceeding 3 months or to both, and liable to a	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
					further fine not exceeding RM500 for each day the offence continues; or	
					(ii) Company commits an offence if it provides any statement or other information that is false or misleading in any material particulars and shall be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 6 months or to both.	
					(g) The company shall implement its projects as approved and in accordance with other laws and regulations of Malaysia.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
3.	SESB	Petronas	22 June 2023/ 4 October 2026	200001014604 / Licence to supply product/service to exploration and oil/gas companies in Malaysia[(1)] SESB has a licence to supply the following products/services to exploration and oil/gas companies in Malaysia: - (a) 13101600S: Software Licence Leasing[(3)]; (b) 14181600P: Solar Power Supply[(2)]; and (c) 13141100S: ICT Consultancy[(3)].	(a) Company is required to register, obtain a licence, permit or authorisation from the relevant authority to carry out the services or supply of product or material used in company's operation and activities;	Complied
					(b) This licence is not transferable to any company/ other party;	Complied
					(c) This licence will be revoked if the company is found to be in the process of liquidation, winding-up or dissolution;	Noted
					(d) Company shall inform Petronas on any changes related to company's position such as equity ownership, board of directors and management staff within 14 days. Failure to do so can result in revocation of licence;	Complied
					(e) Company should take immediate action to adhere to the special conditions imposed as stated in the appendix of the Petronas licence certificate and to inform Petronas on the progress of this action;	No special condition imposed

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
					(f) Company is not allowed to take another company as principal, agent, sub-contractor or otherwise to provide any service or supply of any facility, fittings or equipment on its behalf without prior written consent from Petronas;	Complied
					(g) Company shall allow Petronas representatives for inspection visit/ site/ company audit and review/ copy of documents and interviewing employees and related parties;	Complied
					(h) This licence must be shown to Petronas's officers when it is required for inspection;	Complied
					(i) This licence is only valid for services and supply of products as stated in the appendix of the Petronas licence certificate;	Noted
					(j) Company can be penalised if in Petronas's opinion, it has conducted one or more of the following:	Noted

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
					(i) Failed to execute the award job until completion. (ii) Failed to perform a contractual obligation or any other obligations under the law to partners, principals, agents, sub-contractors and others. (iii) Received garnishee order. (iv) Facing bankruptcy action. (v) Cannot be traced through the last address. (vi) Sub-contract work to another contractor without written permission from Petronas. (vii) Reject any contract or tender awarded. (viii) Entering or accepting contract or tender during the licence suspension period.	

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
					(ix) Provide false, inaccurate, or misleading information.	
					(x) Does not follow tender's regulations and ethics including but not only limited to sending poison-pen letters, bribing or lobbying.	
					(xi) Engaged in any inappropriate activities with this licence.	
					(k) According to Regulation 9 of the Petronas Regulations 1974 ("**Regulations 1974**"), a person who initiate or continue any business or continue providing services as mentioned in Regulation 3 of the Regulations 1974 without a licence or do not comply with any condition of the licence is committing a crime and can be fined not exceeding RM50,000.00 or imprisonment for a period not more than 2 years or both and in respect of each continuous crime, it is subject to further fine of RM1,000.00 for every one day or	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
					any part of one day which the offence continues after the first conviction is recorded;	
					(l) This approval is not an agreement/ guarantee that the company will be called to participate in tender or quotation of Petronas or its subsidiaries;	Noted
					(m) Company either by itself, through its employees, directors, agents or its employees;	
					(i) Not allow to use the logo of the Petronas's oil drop or the word "Petronas" or use any mark, logo or words or wearing typeface, font, which resembles the appearance or colour trademarks owned or used by Petronas or its subsidiaries in any form whether in printing materials, websites or hand board; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
					(ii) Not allow to perform any act or in any way either directly or indirectly admits that it is a partner or have any connection/ relationship with Petronas and/or its subsidiaries, unless and except the company is allowed to use reference [company] is licensed by Petronas [No licence], under Regulation 3 of the Regulations 1974.	Complied
					(n) This licence may be revoked, suspended, or blacklisted at any time if any of the above conditions, general conditions of Petronas licence and registration and any other conditions set in Petronas Licence and Registration General Guidelines are not fulfilled.	Noted. Complied.
					<u>Note</u> Licensee must apply for renewal 4 months before the expiry date.	Noted. Complied.

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
4.	SESB	Siemens Aktiengesellsc-haft	3 January 2024/ 2 January 2025[4]	LV0413-001-Ship / Siemens SIVACON Technology Partner Certificate SESB is certified as a SIVACON Technology Partner and has been granted the right to manufacture and sell the SIVACON design verified low-voltage power distribution board.	Nil	N/A
5.	SESB	TUV Nord CERT GmbH	7 March 2023/ 6 March 2026	44 104 112541-001 / TUV Nord ISO 14001:2015 Certificate TUV Nord CERT GmbH hereby confirmed as a result of the audit, assessment and certification decision according to ISO/IEC 17021-1:2015, that SESB operates a management system in accordance with the requirements of ISO 14001:2015 at SESB located at Lot 48521 (PT 25145), Jalan Palam 34/17, Seksyen 34, 40460 Shah Alam, Selangor; and will be assessed for conformity within the 3 year term of validity of the certificate. **Scope:** (a) Design, manufacture, assembly, distribution, project management and after sales	Nil	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
				service of solar systems for hazardous classified and non-hazardous application in oil and gas industry; and (b) Design, manufacture and supply of electrical power system equipment and control panel system.		
6.	SESB	TUV Nord CERT GmbH	7 March 2023/ 6 March 2026	44 104 112541-002 / TUV Nord ISO 14001:2015 Certificate TUV Nord CERT GmbH hereby confirmed as a result of the audit, assessment and certification decision according to ISO/IEC 17021-1:2015, that SESB operates a management system in accordance with the requirements of ISO 14001:2015 at SSMSC located at Lot 48521 (PT 25145), Jalan Palam 34/17, Seksyen 34, 40460 Shah Alam, Selangor; and will be assessed for conformity within the 3 year term of validity of the certificate. **Scope:** Design development, supply, project management and after sales services of industrial process control system	Nil	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
				(IPCS) by integrating specialized software/application, industrial controller systems and electrical systems.		
7.	SESB	TUV Nord CERT GmbH	7 March 2023/ 6 March 2026	44 104 112541-003 / TUV Nord ISO 14001:2015 Certificate TUV Nord CERT GmbH hereby confirmed as a result of the audit, assessment and certification decision according to ISO/IEC 17021-1:2015, that SESB operates a management system in accordance with the requirements of ISO 14001:2015 at SEOG located at Lot 48521 (PT 25145), Jalan Palam 34/17, Seksyen 34, 40460 Shah Alam, Selangor; and will be assessed for conformity within the 3 year term of validity of the certificate. **Scope:** Supply of product and material for transformer and electrical systems for hazardous classified and non-hazardous application in oil and gas industry.	Nil	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
8.	SESB	TUV Nord Cert GmbH	7 March 2023/ 6 March 2026	44 100 112541-001/ TUV Nord ISO 9001:2015 Certificate TUV Nord CERT GmbH hereby confirmed as a result of the audit, assessment and certification decision according to ISO/IEC 17021-1:2015, that SESB operates a management system in accordance with the requirements of ISO 9001:2015 at SESB located at Lot 48521 (PT 25145), Jalan Palam 34/17, Seksyen 34, 40460 Shah Alam, Selangor; and will be assessed for conformity within the 3 year term of validity of the certificate. **Scope:** (a) Design, manufacture, assembly, distribution, project management and after sales service of solar systems for hazardous classified and non-hazardous application in oil and gas industry; and (b) Design, manufacture and supply of electrical power system equipment and control panel system.	Nil	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
9.	SESB	TUV Nord CERT GmbH	7 March 2023/ 6 March 2026	44 100 112541-002 / TUV Nord ISO 9001:2015 Certificate TUV Nord CERT GmbH hereby confirmed as a result of the audit, assessment and certification decision according to ISO/IEC 17021-1:2015, that SESB operates a management system in accordance with the requirements of ISO 9001:2015 at SSMSC located at Lot 48521 (PT 25145), Jalan Palam 34/17, Seksyen 34, 40460 Shah Alam, Selangor; and will be assessed for conformity within the 3 year term of validity of the certificate. **Scope:** Design development, supply, project management and after sales services of industrial process control system (IPCS) by integrating specialized software/application, industrial controller systems and electrical systems.	Nil	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
10.	SESB	TUV Nord CERT GmbH	7 March 2023/ 6 March 2026	44 100 112541-003 / TUV Nord ISO 9001:2015 Certificate TUV Nord CERT GmbH hereby confirmed as a result of the audit, assessment and certification decision according to ISO/IEC 17021-1:2015, that SESB operates a management system in accordance with the requirements of ISO 9001:2015 at SEOG located at Lot 48521 (PT 25145), Jalan Palam 34/17, Seksyen 34, 40460 Shah Alam, Selangor; and will be assessed for conformity within the 3 year term of validity of the certificate. **Scope:** Supply of product and material for transformer and electrical systems for hazardous classified and non-hazardous application in oil and gas industry.	Nil	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
11.	SESB	TUV Nord CERT GmbH	7 March 2023/ 6 March 2026	44 126 23 92 0006-001 / TUV Nord ISO 45001:2018 Certificate TUV Nord CERT GmbH hereby confirmed as a result of the audit, assessment and certification decision according to ISO/IEC 17021-1:2015, that SESB operates a management system in accordance with the requirements of ISO 45001:2018 at SESB located at Lot 48521 (PT 25145), Jalan Palam 34/17, Seksyen 34, 40460 Shah Alam, Selangor; and will be assessed for conformity within the 3 year term of validity of the certificate. **Scope:** (a) Design, manufacture, assembly, distribution, project management and after sales service of solar systems for hazardous classified and non-hazardous application in oil and gas industry; and (b) Design, manufacture and supply of electrical power system equipment and control panel system.	Nil	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
12.	SESB	TUV Nord CERT GmbH	7 March 2023/ 6 March 2026	44 126 23 92 0006-002 / TUV Nord ISO 45001:2018 Certificate TUV Nord CERT GmbH hereby confirmed as a result of the audit, assessment and certification decision according to ISO/IEC 17021-1:2015, that SESB operates a management system in accordance with the requirements of ISO 45001:2018 at SSMSC located at Lot 48521 (PT 25145), Jalan Palam 34/17, Seksyen 34, 40460 Shah Alam, Selangor; and will be assessed for conformity within the 3 year term of validity of the certificate. **Scope:** Design development, supply, project management and after sales services of industrial process control system (IPCS) by integrating specialized software/application, industrial controller systems and electrical systems.	Nil	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
13.	SESB	TUV Nord CERT GmbH	7 March 2023/ 6 March 2026	44 126 23 92 0006-003 / TUV Nord ISO 45001:2018 Certificate TUV Nord CERT GmbH hereby confirmed as a result of the audit, assessment and certification decision according to ISO/IEC 17021-1:2015, that SESB operates a management system in accordance with the requirements of ISO 45001:2018 at SEOG located at Lot 48521 (PT 25145), Jalan Palam 34/17, Seksyen 34, 40460 Shah Alam, Selangor; and will be assessed for conformity within the 3 year term of validity of the certificate. **Scope:** Supply of product and material for transformer and electrical systems for hazardous classified and non-hazardous application in oil and gas industry.	Nil	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
14.	SESB	Intertek	29 January 2024/ valid until and unless revoked or surrendered	ASTA-TYPE-0002429 / ASTA Type Certificate A range of 250A, 400 V/440 V/4 Kv (*Un=Ue, / Ui / Uimp*), 50 Hz, IP54, enclosed, wall-mountable type B distribution board ("**DBO**") comprising one incoming 4 pole fixed type MCCB circuit, 27 way outgoing 2 pole MCB circuits and a protective circuit, manufactured by SESB has been evaluated in accordance with IEC 61439-3:2012.	Any use of the Intertek name or one of its marks for the sale or advertisement of the tested material, product or service must first be approved in writing by Intertek. The Applicant is authorised to copy or distribute certificates and test reports provided the entire contents are included, or certificate front sheets accompanied by any associated pages on which are stated the assigned rated characteristics and no part is obscured or illegible. Permission must be obtained from Intertek before any other kind of reproduction is made. Any other use of the Intertek or ASTA brand must first be approved in writing by Intertek.	Noted
15.	SESB	Intertek	21 March 2024/ valid until and unless revoked or surrendered	ASTA-TYPE-0002850/ ASTA Type Certificate 250 A, 400 V/440 V/4 kV (*Un=Ue, / Ui / Uimp*), 50 Hz, IP54, Form 2b, Power Switchgear and Controlgear Assembly (PSC-Assembly) incorporating one incoming 4 pole fixed type MCCB circuit, twenty-seven outgoing 2 pole MCB circuits, one outgoing 4 pole fixed type MCCB	Any use of the Intertek name or one of its marks for the sale or advertisement of the tested material, product or service must first be approved in writing by Intertek. The Applicant is authorised to copy or distribute certificates and test reports provided the entire contents are included, or certificate front sheets accompanied by any associated pages	Noted

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
				circuit, one outgoing 4 pole fixed type switch-disconnector-fuse double opening circuit and protective circuit, manufactured by SESB has been evaluated in accordance with IEC 61439-2:2020.	on which are stated the assigned rated characteristics and no part is obscured or illegible. Permission must be obtained from Intertek before any other kind of reproduction is made. Any other use of the Intertek or ASTA brand must first be approved in writing by Intertek.	
16.	SESB	Majlis Bandaraya Pasir Gudang	1 January 2025/ 31 December 2025	L0316164 / Business and Signboard Licence SESB has a licence to operate an office and to place signboard for advertisement at 11-02, Jalan Sierra Perdana 6/3, Taman Sierra Perdana, 81750, Masai, Johor.	The renewal of licence shall be made from 1 September to 31 December. Penalty will be imposed from 1 January to 31 March of the following year, and licence shall be cancelled from 1 April if the licensee failed to renew within the stipulated time.	Complied
					This licence is subject to the compliance with the acts, regulations, or orders currently or to be enforced by Majlis Bandaraya Pasir Gudang, including additional licensing requirements that may be imposed from time to time by Majlis Bandaraya Pasir Gudang.	Noted

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
17.	SASB	Majlis Bandaraya Subang Jaya	3 April 2024/ 25 February 2025	2120130100110 / Business and Signboard Licence SASB has a licence to operate a store, business office and to place signboard for advertisement at 43G, 43-1 and 45-1, Jalan Suria Puchong 2, Pusat Perniagaan Suria, 47110 Puchong, Selangor Darul Ehsan.	(a) The licence shall be placed at the business premise.	Complied
					(b) The licence shall be renewed 3 months before the expiration of the licence except for temporary licence.	Complied
					(c) The licensee shall notify the licensing department if the premise is closed or cease operation for claiming deposit (if any).	Complied
					(d) The owner of the premises must register under the plastic bag charge collection program with the licensing department of Majlis Bandaraya Subang Jaya for control and adjustment purposes.	Complied
18.	ALR	Majlis Bandaraya Petaling Jaya	1 January 2025/ 31 December 2025	L950000171485 / Trade, Business and Industrial Licence ALR has a licence to operate business office and to place signboard for advertisement at D2-06-G & D2-07-G, Block D2, Pusat Perdagangan Dana 1, PJU 1A/46, 47301 Petaling Jaya, Selangor.	Nil	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
19.	SSMSC	MBSA	11 October 2024/ 14 November 2025	MBSA/LSP/LS/600-3/1/0480-22 / Industrial Licence SSMSC has a licence to operate business office at Lot 48521 (PT 25145), Jalan Palam 34/17, Seksyen 34, 40470 Shah Alam, Selangor.	Nil	N/A
20.	SEOG	Petronas	21 February 2024/ 22 April 2027	200101020585 / Licence to supply product/service to exploration and oil/gas companies in Malaysia SEOG has a licence to supply the following products / services to exploration and oil/gas companies in Malaysia:	(a) Company is required to register, obtain a licence, permit or authorisation from the relevant authority to carry out the services or supply of product or material used in company's operation and activities;	Complied
				(i) 14171300S: LV Switchgear;	(b) This licence is not transferable to any company/ other party;	Complied
				(ii) 14161700P: High Voltage Switchboard/Switchgear/Vacuum Circuit Breaker (VCB)/Vacuum Contactor Unit (VCU)/Contactor/Busbar;	(c) This licence will be revoked if the company is found to be in the process of liquidation, winding-up or dissolution;	Noted
				(iii) 14151000P: Cast Resin Dry Type; (iv) 14181300P: Industrial UPS – Static Type;	(d) Company shall inform Petronas on any changes related to company's position such as equity ownership, board of directors and management staff within 14 days. Failure to do so can result in revocation of licence;	Noted

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
				(v) 20111100P: Instrument Control Panel; (vi) 14181200P: DC Charger; (vii) 14191000S: Batteries; (viii) 20231100P: SCADA System/Telemetry; (ix) 14151500P: Oil Immersion Type; (x) 14141500S: Other General Electrical Service; (xi) 14141400S: Electrical Equipment Leasing/Rental; (xii) 14171400S: Protection Relay Maintenance; (xiii) 14201100S: Transformer; (xiv) 20111000P: Annunciator/Master Shutdown Panel; (xv) 14141000S: Aircraft Warning Light & System;	(e) Company should take immediate action to adhere to the special conditions imposed as stated in the appendix of the Petronas licence certificate and to inform Petronas on the progress of this action;	No special condition imposed
					(f) Company is not allowed to take another company as principal, agent, sub-contractor or otherwise to provide any service or supply of any facility, fittings or equipment on its behalf without prior written consent from Petronas;	Noted
					(g) Company shall allow Petronas representatives for inspection visit/ site/ company audit and review/ copy of documents and interviewing employees and related parties;	Complied
					(h) This licence must be shown to Petronas's officers when it is required for inspection;	Complied
					(i) This licence is only valid for services and supply of products as stated in the appendix of the Petronas licence certificate;	Noted

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
				(xvi) 14181600P Solar Power Supply; (xvii) 14110000S: Electrical Engineering Consultancy; (xviii) 14161600P: Low Voltage Switchboard/ Switchgear/ MCC/ Air Circuit Breaker (ACB)/ Busbar; (xix) 14151600P: Portable Generator Set; (xx) 14181100P: Commercial UPS – Static Type; (xxi) 16201100P: Chemical Injection Skid; (xxii) 14101200P: Explosion Proof Electrical Parts; Components & Accessories; (xxiii) 14181400P: Lead Acid Batteries; (xxiv) 20150000P: Emergency Shutdown (ESD) System; (xxv) 14161900P: Protection Relay;	(j) Company can be penalised if in Petronas's opinion, it has conducted one or more of the following: (i) Failed to execute the award job until completion. (ii) Failed to perform a contractual obligation or any other obligations under the law to partners, principals, agents, sub-contractors and others. (iii) Received garnishee order. (iv) Facing bankruptcy action. (v) Cannot be traced through the last address. (vi) Sub-contract work to another contractor without written permission from Petronas. (vii) Reject any contract or tender awarded.	Noted

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
				(xxvi) 14151200P: Diesel Engine Driven Generator; (xxvii) 14171600S: Variable Speed Drives and Soft Starter Maintenance; (xxviii) 14171100S: HV Switchgear; (xxix) 14161300P: Explosion Proof Distribution Boards & Enclosure; (xxx) 14161100P: Electrical Busduct System; (xxxi) 14101400P: Non Explosion Proof Electrical Parts, Components & Accessories;	(viii) Entering or accepting contract or tender during the licence suspension period. (ix) Provide false, inaccurate, or misleading information. (x) Does not follow tender's regulations and ethics including but not only limited to sending poison-pen letters, bribing or lobbying. (xi) Engaged in any inappropriate activities with this licence.	
				(xxxii) 14191100S: Uninterrupted Power Supply (UPS) System; (xxxiii) 14161800P: Non Explosion Distribution Boards & Enclosure; (xxxiv) 14101300P Light, Fittings & Accessories; (xxxv) 14171200S Intelligent Motor Control System (IMCS);	(k) According to Regulation 9 of the Regulations 1974, a person who initiate or continue any business or continue providing services as mentioned in Regulation 3 of the Regulations 1974 without a licence or do not comply with any condition of the licence is committing a crime can be fined not exceeding RM50,000.00 or imprisonment for a period not more than 2 years or both and in respect of each continuous	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
				(xxxvi) 20261500S: Transmitters; (xxxvii) 14201000S: Generator; (xxxviii) 20111200P: Wellhead Control Panel; and (xxxix) 14181500P: NICAD Batteries.	crime, it is subject to further fine of RM1,000.00 for every one day or any part of one day which the offence continues after the first conviction is recorded;	
					(l) This approval is not an agreement / guarantee that the company will be called to participate in tender or quotation of Petronas or its subsidiaries;	Noted
					(m) Company either by itself, through its employees, directors, agents or its employees;	
					(i) Not allow to use the logo of the Petronas's oil drop or the word "Petronas" or use any mark, logo or words or wearing typeface, font, which resembles the appearance or colour trademarks owned or used by Petronas or its subsidiaries in any form whether in printing materials, websites, or hand board; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
					(ii) Not allow to perform any act or in any way either directly or indirectly admits that it is a partner or have any connection/ relationship with Petronas and/or its subsidiaries, unless and except the company is allowed to use reference [company] is licensed by Petronas [No licence], under Regulation 3 of the Regulations 1974.	Complied
					(n) This licence may be revoked, suspended, or blacklisted at any time if any of the above conditions, general conditions of Petronas licence and registration and any other conditions set in Petronas Licence and Registration General Guidelines are not fulfilled.	Noted
					<u>Note</u> Licensee must apply for renewal 4 months before the expiry date.	Noted

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
21.	SEOG	MBSA	9 October 2024/ 31 October 2025	MBSA/LSP/LS/600-3/1/0453-22 / Industrial Licence SEOG has a licence to operate business office at Lot 48521 (PT 25145), Jalan Palam 34/17, Seksyen 34, 40470 Shah Alam, Selangor.	Nil	N/A
22.	SEOG	MBSA	13 November 2024/ 28 February 2026	MBSA/LSP/LS/900-3/1/0019-23 / Temporary Signboard Licence SEOG has a temporary licence to place signboard for advertisement at Lot 48521 (PT 25145), Jalan Palam 34/17, Seksyen 34, 40470 Shah Alam, Selangor.	MBSA reserves the right to suspend or cancel this temporary licence at any time without assigning any reason and compensating for any losses arising from it.	Noted
23.	PMAS	MBSA	8 November 2024/ 31 December 2025	MBSA/LSP/LS/600-3/1/0407-15 / Temporary Industrial Licence PMAS has a temporary licence to sell/service, manufacture/process, wholesale/store electrical/mechanical equipment at Lot 48521 (PT 25145), Batu 6, Off Jalan Bukit Kemuning, Seksyen 34, 40470 Shah Alam, Selangor.	MBSA reserves the right to suspend or cancel this temporary licence at any time without assigning any reason and compensating for any losses arising from it.	Noted

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
24.	PMAS	DOSH	22 February 2024/ 15 May 2025	PMA SL/24 401611 Certificate of Fitness under Factories and Machinery Act 1967 for Single Girder Overhead Travelling Crane Certificate of Fitness under Factories and Machinery Act 1967 for Single Girder Overhead Travelling Crane located at Lot 45821 (PT 25145), Batu 6, Off Jalan Bukit Kemuning, Section 34, 40470 Shah Alam, Selangor.	According to Regulation 26(1) of the Factories and Machinery (Notification, Certificate of Fitness and Inspections) Regulations 1970, after the inspection of a machinery, it is required for this machinery to be operated by person qualified and registered with DOSH.	Complied
25.	PMAS	DOSH	4 September 2023/ 29 November 2024	PMT-SL/23 368355 / Certificate of Fitness under Factories and Machinery Act 1967 for Air/Vacuum/N2 Tank 1000 Litres x - 1/10.34 BAR OD780 x 1829SL Certificate of Fitness under Factories and Machinery Act 1967 for Air/Vacuum/N2 Tank 1000 Litres X - 1/10.34 BAR OD780 X 1829SL located at Lot 45821 (PT 25145), Batu 6, Off Jalan Bukit Kemuning, Section 34, 40470 Shah Alam, Selangor.	Nil	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
26.	PMAS	DOSH	4 September 2023/ 29 November 2024	PMT-SL/23 368354 / Certificate of Fitness under Factories and Machinery Act 1967 for 310L Vertical Air Receiver x 22 Bar OD610 x 850SL Certificate of Fitness under Factories and Machinery Act 1967 for 310L Vertical Air Receiver x 22 Bar OD610 X 850SL located at Lot 45821 (PT 25145), Batu 6, Off Jalan Bukit Kemuning, Section 34, 40470 Shah Alam, Selangor.	Nil	N/A
27.	PMAS	DOSH	4 September 2023/ 29 November 2024	PMA-SL/23 368356 / Certificate of Fitness under Factories and Machinery Act 1967 for Overhead Travelling Crane Certificate of Fitness under Factories and Machinery Act 1967 for Overhead Travelling Crane located at Lot 45821 (PT 25145), Batu 6, Off Jalan Bukit Kemuning, Section 34, 40470 Shah Alam, Selangor.	According to Regulation 26(1) of the Factories and Machinery (Notification, Certificate of Fitness and Inspections) Regulations 1970, after the inspection of a machinery, it is required for this machinery to be operated by person qualified and registered with DOSH.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
28.	PMAS	DOSH	4 September 2023/ 29 November 2024	PMA-SL/23 368357 / Certificate of Fitness under Factories and Machinery Act 1967 for Overhead Travelling Crane Certificate of Fitness under Factories and Machinery Act 1967 for Overhead Travelling Crane located at Lot 45821 (PT 25145), Batu 6, Off Jalan Bukit Kemuning, Section 34, 40470 Shah Alam, Selangor.	According to Regulation 26(1) of the Factories and Machinery (Notification, Certificate of Fitness and Inspections) Regulations 1970, after the inspection of a machinery, it is required for this machinery to be operated by person qualified and registered with DOSH.	Complied
29.	PMAS	Siemens Malaysia Sdn Bhd	N/A/ 30 September 2025	N/A/ Certified Partner as System Integrator Certificate PMAS is authorised to promote and sell Siemens digital industries products as a system integrator: (a) PCS7; (b) Factory automation; and (c) Digital connectivity and power.	Nil	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
30.	SE Thailand	The Ministry of Commerce	31 August 2012 (replaced and issued on 19 March 2024)/ not specified[(5)]	FBL No. 1755502071 / Foreign Business License To undertake the following restricted businesses under the Foreign Business Act B.E. 2542 as a foreign majority-owned Thailand incorporated company: (a) Wholesale trade of the Electrical Control Cabinet under the trademark "Swift Energy" (manufactured by SESB, a subsidiary in Malaysia) and accessories to construction operators; (b) Design service for the Electrical Control Plan; and (c) Maintenance and repair services for the electrical equipment.	(a) The borrowings used in the approved business must not exceed 7 times of the capital. (b) At least one of the persons responsible for the approved business (i.e., authorized directors) must be domiciled in Thailand.	Complied Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
31.	Chongqing Swift China	Administration for Market Regulation in Chongqing Liangjiang New District	18 March 2009/ 17 March 2039	91500000686203522/ Business licence The registered scope of business of Chongqing Swift China is providing services of complete automation system engineering design, system programming, integrated assembly, on-site installation and commissioning, production, sales, maintenance, and repair; automation system training service.	Nil	Complied
32.	Chongqing Swift China	Chongqing Municipal Bureau of Science and Technology, Chongqing Municipal Bureau of Finance, and Chongqing Municipal Taxation Bureau of the State Administration of Taxation	16 October 2023/ 15 October 2026	GR202351101416/ High-tech Enterprise Certificate (《高新技术企业证书》)	Nil	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
33.	SESB	Energy Commission Malaysia	29 April 2024/ 28 April 2025	ST(TKL)SGR/C/KE/04785/2024/ Certificate of Registration as Electrical Contractor According to Regulation 75 of the Electricity Regulations 1994, this certificate is issued to SESB and grants authority to the holder to carry out electrical work as an electrical contractor at Lot 48521 (PT 25145), Jalan Palam 34/17, Seksyen 34, 40460 Shah Alam, Selangor, under Class A, for a period of 1 year (not less than 1 year and not more than 5 years) from the date of issuance, which is 29 April 2024.	Nil	Complied
34.	SESB	Energy Commission Malaysia	29 April 2024/ 28 April 2025	ST(TKL)SGR/C/PPS/00221/2024/ Certificate of Registration as Switchboard Manufacturer According to Regulation 92 of the Electricity Regulations 1994, this certificate is issued to SESB and grants authority to the holder as a switchboard manufacturer to operate switchboard manufacturing business at an operating voltage of approximately 0.600 kilovolts at Lot 48521 (PT 25145), Jalan Palam 34/17, Seksyen 34, 40460 Shah Alam, Selangor, for a period of one	Nil	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
				year (not less than 1 year and not more than 5 years) from the date of issuance, which is 29 April 2024.		
35.	SESB	Energy Commission Malaysia	29 April 2024/ 28 April 2025	PW-T-4-B-0240-2009/ Certificate of Competency of Muhammad Syahir Bin Zulkifli as a competent wireman for category PW4 (three phase wireman and endorsement test)	If this certificate is in the possession of any person other than the person to whom this certificate is issued, this certificate shall be returned immediately to the Energy Commission Malaysia.	Noted
36.	SESB	Energy Commission Malaysia	29 April 2024/ 28 April 2025	PW-T-4-B-0630-2013/ Certificate of Competency of Muhammad Hafiz Bin Majid as a competent wireman for category PW4 (three phase wireman and endorsement test)	If this certificate is in the possession of any person other than the person to whom this certificate is issued, this certificate shall be returned immediately to the Energy Commission Malaysia.	Noted
37.	SESB	Energy Commission Malaysia	29 April 2024/ 28 April 2025	PW-T-2-B-1049-2007/ Certificate of Competency of Mohd Hafiz Bin Mat Yunus as a competent wireman for category PW2 (single phase wireman and endorsement test)	If this certificate is in the possession of any person other than the person to whom this certificate is issued, this certificate shall be returned immediately to the Energy Commission Malaysia.	Noted
38.	SESB	Energy Commission Malaysia	29 April 2024/ 28 April 2025	PW-T-2-B-0252-2008/ Certificate of Competency of Mohd Afiq Bin Kairi as a competent wireman for category PW2 (single phase wireman and endorsement test)	If this certificate is in the possession of any person other than the person to whom this certificate is issued, this certificate shall be returned immediately to the Energy Commission Malaysia.	Noted

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

No.	Company	Issuing authority	Date of issue/ Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
39.	SESB	Energy Commission Malaysia	29 April 2024/ 28 April 2025	PW-T-4-B-0890-2011/ Certificate of Competency of Faris Akmal Bin Abd Aziz as a competent wireman for category PW4 (three phase wireman and endorsement test)	If this certificate is in the possession of any person other than the person to whom this certificate is issued, this certificate shall be returned immediately to the Energy Commission Malaysia.	Noted
40.	SESB	Energy Commission Malaysia	29 April 2024/ 28 April 2025	PJ-T-1-B-0551-2023/ Certificate of Competency of Lee Hau Jer as a competent chargeman for category A0 (low voltage system (without aerial lines and power station))	If this certificate is in the possession of any person other than the person to whom this certificate is issued, this certificate shall be returned immediately to the Energy Commission Malaysia.	Noted
41.	SESB	Energy Commission Malaysia	29 April 2024/ 28 April 2025	PW-T-4-B-0790-2021/ Certificate of Competency of Muhamad Dzulkarnain Bin Hasan as a competent wireman for category PW4 (three phase wireman and endorsement test)	If this certificate is in the possession of any person other than the person to whom this certificate is issued, this certificate shall be returned immediately to the Energy Commission Malaysia.	Noted

Notes:

N/A Not applicable

(1) As at the LPD, SESB does not have any SWEC codes in its Petronas licence.

(2) SESB has applied to Petronas for the cancellation of the SWEC code 14181600P: Solar Power Supply and subsequently to the cancellation of the said SWEC code, SEOG has applied and obtained the SWEC code 14181600P: Solar Power Supply on 23 March 2024.

(3) The SWEC codes 13101600S: Software Licence Leasing and 13141100S: ICT Consultancy have been relinquished by SESB.

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS *(Cont'd)*

(4) The renewal application for item (4) has commenced and SESB expects to obtain the renewed certificate by end of January 2025.

(5) The Foreign Business License will remain valid as long as SE Thailand conducts its business in accordance with the authorised activities registered under the Foreign Business License.

The above major approvals, licenses and permits issued to our Group are required by the respective governmental authorities and/or regulatory bodies for the operation and business of our Group.

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