

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2022⁽¹⁾

	Note	Individual quarter		Cumulative quarter	
		Current year quarter 31.03.2022 RM'000	Preceding year corresponding quarter 31.03.2021 ⁽²⁾ RM'000	Current year-to-date 31.03.2022 RM'000	Preceding year corresponding year-to-date 31.03.2021 ⁽²⁾ RM'000
Revenue	A9	17,897	N/A	17,897	N/A
Cost of sales		(8,494)	N/A	(8,494)	N/A
Gross profit		9,403	N/A	9,403	N/A
Other income	B5	2,155	N/A	2,155	N/A
Administration expenses		(2,118)	N/A	(2,118)	N/A
Operating profit		9,440	N/A	9,440	N/A
Finance costs		(409)	N/A	(409)	N/A
Profit before tax	B13	9,031	N/A	9,031	N/A
Tax expense	B6	(357)	N/A	(357)	N/A
Profit for the financial period / year		8,674	N/A	8,674	N/A
Other comprehensive income, net of tax		-	N/A	-	N/A
Total comprehensive income for the financial period / year		8,674	N/A	8,674	N/A
Profit attributable to:					
Owners of the parent		8,674	N/A	8,674	N/A
Non-controlling interests		-	N/A	-	N/A
		8,674	N/A	8,674	N/A
Total comprehensive income attributable to:					
Owners of the Company		8,674	N/A	8,674	N/A
Non-controlling interests		-	N/A	-	N/A
		8,674	N/A	8,674	N/A
Earnings per ordinary share attributable to owners of the Company:					
Basic earnings per share (sen) ⁽³⁾	B12	1.46	N/A	1.46	N/A
Diluted earnings per share (sen) ⁽⁴⁾	B12	1.08	N/A	1.08	N/A

Notes:

N/A – Not applicable

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- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 29 April 2022 included in the prospectus of SFP Tech Holdings Berhad ("**SFP Tech**" or "**Company**") dated 26 May 2022 ("**Prospectus**") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"). There are no comparative figures for the preceding corresponding quarter and year-to-date as the Company as no interim financial report was prepared for the comparative financial period concerned.
- (3) Basic earnings per share ("**EPS**") is calculated based on the share capital of 592,560,000 ordinary shares in SFP Tech ("**Share(s)**") in issue as at 31 March 2022.
- (4) Diluted EPS of the Company for the individual quarter ended 31 March 2022 and year-to-date ended 31 March 2022 is calculated based on the assumed number of Shares in issue pursuant to the completion of the initial public offering, which is 800,000,000 Shares as disclosed in Note A7. There are no dilutive instruments as at the end of the financial period.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022⁽¹⁾

	Note	Unaudited As at 31.03.2022 RM'000	Audited As at 31.12.2021 RM'000
Non-current asset			
Property, plant and equipment		91,563	81,801
Deferred tax asset		16	-
Intangible asset		3,083	3,339
Total non-current assets		94,662	85,140
Current assets			
Inventories		6,359	3,776
Trade receivables		17,611	11,994
Other receivables, deposits and prepayments		8,486	6,576
Tax recoverable		159	-
Cash and cash equivalents		28,954	25,464
Total current assets		61,569	47,810
Total assets		156,231	132,950
Equity			
Share Capital		59,256	*
Invested equity		-	2,000
Merger Reserve		(53,077)	-
Retained earnings		81,173	72,499
Total equity		87,352	74,499
Non-current liabilities			
Borrowings	B9	37,588	30,839
Deferred tax liabilities		2,415	2,416
Deferred income		2,070	2,244
Total non-current liabilities		42,073	35,499
Current Liabilities			
Trade payables		3,445	1,362
Other payables and accruals		11,538	13,082
Contract liabilities		1,005	-
Borrowings	B9	10,638	8,480
Current tax liabilities		180	28
Total current liabilities		26,806	22,952
Total liabilities		68,879	58,451
Total equity and liabilities		156,231	132,950
Number of Shares in issue before Public Issue ('000) ⁽²⁾		592,560	592,560
Net assets per share (RM) ⁽²⁾		0.15	0.13

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Notes:

- * Amount is less than RM1,000.
- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 29 April 2022 included in the Prospectus of the Company dated 26 May 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the Company's share capital of 592,560,000 Shares in issue factoring in the Acquisitions (as defined in Note A7 below) which have been completed on 18 March 2022.

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SFP TECH HOLDINGS BERHAD

(Registration No. 202101004713 (1405012-M))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2022⁽¹⁾⁽²⁾**

	<----- Attributable to owners of the parent ----->				
	<----- Non-distributable ----->			Distributable	
	Share capital RM'000	Invested Equity RM'000	Merger Reserves RM'000	Retained earnings RM'000	Total Equity RM'000
Balance as at 1 January 2022	*	2,000	-	72,499	74,499
Profit for the financial period	-	-	-	8,674	8,674
Other comprehensive income, net of tax	-	-	-	-	-
Acquisition of Subsidiaries	59,256	(2,000)	(53,077)	-	4,179
Balance as at 31 March 2022	59,256	-	(53,077)	81,173	87,352

Notes:

* Amount is less than RM1,000.

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 29 April 2022 included in the Prospectus of the Company dated 26 May 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding period available as no interim financial report was prepared for the comparative financial period concerned.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2022⁽¹⁾

	Current year- to-date 31.03.2022 RM'000	Preceding year-to-date 31.03.2021⁽²⁾ RM'000
Cash flows from operating activities		
Profit before tax	9,031	N/A
Adjustments for:		
Amortisation of intangible assets	257	N/A
Bargain purchase	(1,606)	N/A
Deferred income released	(174)	N/A
Depreciation of property, plant and equipment	1,701	N/A
Interest expenses	409	N/A
Interest income	(18)	N/A
Unrealised (gain) / loss on foreign exchange	(217)	N/A
Operating profit before working capital changes	9,383	N/A
Changes in working capital:		
Inventories	(476)	N/A
Trade and other receivables	(3,753)	N/A
Trade and other payables	974	N/A
Contract liabilities	222	N/A
Cash generated from operations	6,350	N/A
Income tax paid	(204)	N/A
Interest paid	(409)	N/A
Interest received	18	N/A
Net cash from operating activities	5,755	N/A
Cash flows from investing activities		
Net cash from acquisition of a subsidiary	2,448	N/A
Purchase of property, plant and equipment	(5,126)	N/A
Net cash used in investing activities	(2,678)	N/A
Cash flows from financing activities		
Drawdown of term loans	2,409	N/A
Repayment of finance lease	(1,532)	N/A
Repayment of term loans	(943)	N/A
Net cash used in financing activities	(66)	N/A
Net increase in cash and cash equivalents	3,011	N/A
Effect of changes in foreign exchange rate	332	N/A
Cash and cash equivalents at beginning of financial period	23,840	N/A
Cash and cash equivalents at end of financial period	27,183	N/A

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	Current year- to-date 31.03.2022 RM'000	Preceding year-to-date 31.03.2021⁽²⁾ RM'000
Cash and cash equivalents at the end of the financial period comprises:		
Fixed deposits with licensed banks	1,624	N/A
Cash and bank balances	27,330	N/A
Less: Fixed deposits pledged to licensed banks or maturity period more than 3 months	(1,624)	N/A
Less: Bank overdraft	(147)	N/A
Cash and cash equivalents at the end of the financial period	<u>27,183</u>	<u>N/A</u>

Notes:

N/A – Not applicable

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 29 April 2022 included in the Prospectus of the Company dated 26 May 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding period available as no interim financial report was prepared for the comparative financial period concerned.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report of SFP Tech Holdings Berhad (“**SFP Tech**” or “**Company**”) and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“**MASB**”) and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

This is the Company’s first interim financial report on the unaudited condensed consolidated financial results for the first quarter ended 31 March 2022 announced by the Company in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial statements should be read in conjunction with the Accountants’ Report dated 29 April 2022 (“**Accountants’ Report**”) as disclosed in the Prospectus of the Company dated 26th May 2022 (“**Prospectus**”) and the accompanying notes attached to this interim financial report.

A2. Summary of significant accounting policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Accountants’ Report as disclosed in the Prospectus except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

Effective for annual period beginning on or after 1 April 2021

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

Effective for annual period beginning on or after 1 January 2022

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

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

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

Annual Improvements to MFRS Standards 2018 - 2020

Effective for annual period beginning on or after 1 January 2023

MFRS 17 Insurance Contracts

Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current

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

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

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

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Effective date yet to be confirmed

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

A3. Auditors' report on preceding annual financial statements

SFP Tech was incorporated under the Companies Act, 2016 on 8 February 2021. The Company completed the acquisition of its subsidiaries, SFP Technology Sdn Bhd (“STSB”) and EST Exhibit Automation Sdn Bhd (“EEASB”) on 18 March 2022.

The auditors' report for the preceding financial year ended 31 December 2021 was issued without any qualification.

A4. Seasonal or cyclical factors

The Group's operation was not significantly affected by any unusual seasonal or cyclical factors.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no extraordinary and exceptional items of unusual nature affecting the assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review and year-to-date.

A6. Changes in estimates

There were no material changes in the estimates that have a material effect to the Group during the current quarter under review and year-to-date.

A7. Debt and equity securities

The net gearing ratio of the Group as at 31 March 2022 are as follows:

	Unaudited As at 31.03.2022 RM'000	Audited As at 31.12.2021 RM'000
Total debt net of cash and cash equivalents	19,272	13,855
Total equity	87,352	74,499
Net gearing ratio	0.22	0.19

The group reported net gearing ratio of 0.22 as at 31 March 2022 which is an increase by 0.03 as compared to 31 December 2021.

On 18 March 2022, the Company had completed the acquisition of the entire issued share capital in the following companies:

- (a) Acquisition of the entire equity interest in STSB comprising 2,000,000 ordinary shares for a purchase consideration of RM55,076,900, satisfied by the issuance of 550,769,000 ordinary shares of SFP Tech (“Share(s)”) at an issue price of RM0.10 per Share; and

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- (b) Acquisition of the entire equity interest in EEASB comprising 500,000 ordinary shares for a purchase consideration of RM4,179,000, satisfied by the issuance of 41,790,000 Share at an issue price of RM0.10 per Share.

On 26 May 2022, SFP Tech issued its Prospectus in conjunction with the Company's listing on the ACE Market of Bursa Securities. The Company has undertaken an initial public offering ("IPO") comprising the public issue of 207,440,000 new Shares in the Company at an IPO price of RM0.30 per Share, payable in full upon application allocated in the following manner:

- 40,000,000 new Shares made available for application by the Malaysian Public;
- 24,000,000 new Shares made available for application by eligible Directors, employees and person(s) who have contributed to the success of the Group;
- 43,440,000 new Shares made available by way of private placement to select investors; and
- 100,000,000 new Shares made available by way of private placement to selected Bumiputera Investors approved by the Ministry of International Trade and Industry, Malaysia.

Upon completion of the IPO, the Company is expected to be admitted to the Official List of Bursa Securities and the Company's entire enlarged issued share capital of RM121,488,000 comprising 800,000,000 Shares shall be listed and quoted on the ACE Market of Bursa Securities.

Save as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter under review.

A8. Dividend

The Company did not pay any dividend in the financial period ended 31 March 2022.

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A9. Segmental information

The Group is predominantly an engineering supporting services provider with integrated capabilities in providing automation equipment solutions.

The segmental information based on the nature of the business segments as well as by geographical location are as follows:

(a) Revenue contribution by business segments

	Individual quarter		Cumulative quarter	
	Current year quarter	Preceding year quarter	Current year-to-date	Preceding year-to-date
	31.03.2022	31.03.2021 ⁽¹⁾	31.03.2022	31.03.2021 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Revenue				
Sheet metal fabrication	5,648	N/A	5,648	N/A
CNC machining	8,496	N/A	8,496	N/A
Mechanical assembly	1,645	N/A	1,645	N/A
Automated equipment solutions	2,108	N/A	2,108	N/A
	17,897	N/A	17,897	N/A

(b) Revenue contribution by geographical locations

	Individual quarter		Cumulative quarter	
	Current year quarter	Preceding year quarter	Current year-to-date	Preceding year-to-date
	31.03.2022	31.03.2021 ⁽¹⁾	31.03.2022	31.03.2021 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Malaysia	14,604	N/A	14,604	N/A
Foreign Markets				
<i>USA</i>	1,663	N/A	1,663	N/A
<i>Singapore</i>	1,630	N/A	1,630	N/A
	17,897	N/A	17,897	N/A

Note:

- (1) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter under review.

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Save for the completion of the Acquisitions and the corporate proposal as disclosed in A7 above, there were no other significant events subsequent to the end of the current quarter under review.

A12. Changes in the composition of the Group

Save for the Acquisitions as disclosed in Note A7 above, there were no other material changes to the composition of the Group during the current financial quarter under review.

A13. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets in the Group since the end of the last reporting period as at 31 March 2022.

A14. Capital commitments

	(Unaudited) As at 31.03.22 RM'000	(Audited) As at 31.12.21 RM'000
Authorised and contracted for		
- Building	32,148	34,867
- Property, plant & equipment	8,782	11,249
	<u>40,930</u>	<u>46,116</u>
Authorised but not contracted for		
- Property, plant & equipment	3,220	3,568

A15. Related party transactions

There were no related party transactions during the current financial quarter under review.

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B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

	Current year Quarter 31.03.2022 RM'000	Preceding Year Corresponding Quarter 31.03.2021⁽¹⁾ RM'000	Current Year- To-Date 31.03.2022 RM'000	Preceding Year Corresponding Year-To-Date 31.03.2021⁽¹⁾ RM'000
Revenue	17,897	N/A	17,897	N/A
Gross Profit	9,403	N/A	9,403	N/A
Profit before interest and tax	9,440	N/A	9,440	N/A
Profit before tax	9,031	N/A	9,031	N/A
Profit after tax	8,674	N/A	8,674	N/A
Profit attributed to owners of the company	8,674	N/A	8,674	N/A

Note:

N/A Not applicable

(1) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

The Group recorded revenue of RM17.90 million for the current quarter and year-to-date ended 31 March 2022.

The Group's revenue was principally derived from the CNC machining and sheet metal fabrication segment which accounted for RM8.50 and RM5.65 million respectively which in aggregate accounting for 79.03% of the Group's total revenue. The Group's revenue was mainly derived from customers in Malaysia which contributed approximately 81.60% of the Group's total revenue.

The Group recorded a profit before tax and profit after tax of RM9.03 million and RM8.67 million, respectively, for the current quarter and year-to-date ended 31 March 2022 after taking into consideration other income of RM2.16 million and admin expenses of RM2.12 million.

This is the first interim financial report announced in compliance with the Listing Requirements. As such, there are no comparative figures for the corresponding preceding quarter results.

B2. Comparison with Immediate Preceding Quarter's Results

This is the first interim financial report announced in compliance with the Listing Requirements. As such, there are no comparative figures for the immediate preceding quarter.

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B3. Prospects of the Group

Prospects of the Group are favorable taking into consideration the Group's competitive strengths, business strategies and the outlook of the Engineering Supporting Industry ("ESI").

As disclosed in the Prospectus, the Group has a unique position with integrated capabilities within the ESI, to cross-sell both engineering supporting services and automated equipment solutions to the Group's existing and potential customers.

In addition, the Group plans to expand its production capacity and capabilities of its engineering supporting services segment via the construction of Manufacturing Plant 3 and purchase of new machineries. The construction of Manufacturing Plant 3 is expected to be completed by the end of the second quarter of 2022 and fully operational by the fourth quarter of 2022. The Group intends to purchase additional equipment and machineries over the next 3 years to increase its maximum production capacity.

The Group also plans to expand its product and service offerings in the automated equipment solutions segment. The Group plans to venture into the semiconductor back-end inspection industry by manufacturing vision inspection equipment handler platforms embedded with camera imaging and electronics system. Designing and manufacturing of the generic machine frame is expected to begin in the first quarter of 2023.

Based on the above, the Board is optimistic of the Group's future prospects and expects the Group's expansion plans to contribute positively to its financial performance in the future.

B4. Variance of actual profits from forecast profits

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review.

B5. Other income

	Individual quarter		Cumulative quarter	
	Current year quarter 31.03.2022 RM'000	Preceding year quarter 31.03.2021 ⁽¹⁾ RM'000	Current year-to-date 31.03.2022 RM'000	Preceding year-to-date 31.03.2021 ⁽¹⁾ RM'000
Bargain purchase ⁽²⁾	1,606	N/A	1,606	N/A
Unrealised gain on foreign exchange	217	N/A	217	N/A
Government grant	174	N/A	174	N/A
Scrape income	140	N/A	140	N/A
Interest income	18	N/A	18	N/A
Total	2,155	N/A	2,155	N/A

Notes:

(1) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

(2) Arising from the acquisition of EEASB using the acquisition method of accounting.

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B6. Tax expense

	Individual quarter		Cumulative quarter	
	Current year quarter	Preceding year quarter	Current year-to-date	Preceding year-to-date
	31.03.2022	31.03.2021 ⁽¹⁾	31.03.2022	31.03.2021 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Current tax expense	357	N/A	357	N/A
Effective tax rate (%)	3.95	N/A	3.95	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Notes:

N/A – Not applicable

- (1) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

B7. Status of corporate proposals

Save as disclosed in A7 above, there are no other corporate proposals announced by the Company but not completed as at the date of this interim report

B8. Utilisation of Proceeds from IPO

The gross proceeds arising from the IPO amounting to RM62.23 million is intended to be utilised in the following manner:

<u>Details of utilisation</u>	<u>Proposed utilisation</u>	<u>Actual utilisation</u>	<u>Estimated time frame for utilisation upon listing</u>
	RM'000	RM'000	
Purchase of new machinery and equipment	24,500	N/A	Within 36 months
Construction of Manufacturing Plant 3	15,000	N/A	Within 24 months
Repayment of bank borrowings	10,000	N/A	Within 12 months
Working capital expenditure	5,132	N/A	Within 12 months
Estimated listing expenses	4,600	N/A	Within 3 months
D&D centre	3,000	N/A	Within 12 months
Total	62,232	N/A	

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

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B9. Borrowings

As at 31 March 2022, the Group has total borrowings of RM48.23 million and are predominantly denoted in RM.

	(Unaudited) As at 31.03.2022 RM'000	(Audited) As at 31.12.2021 RM'000
Non-current liabilities (secured)		
Term loans	29,222	25,640
Hire purchase	8,366	5,199
	<u>37,588</u>	<u>30,839</u>
Current liabilities (secured)		
Term loans	4,038	3,847
Hire purchase	6,453	4,633
Bank overdraft	147	-
	<u>10,638</u>	<u>8,480</u>
Total borrowings		
Term loans	33,260	29,487
Hire purchase	14,819	9,832
Bank overdraft	147	-
	<u><u>48,226</u></u>	<u><u>39,319</u></u>

B10. Derivative financial instruments

As at 31 March 2022, the Group does not have any derivative financial instruments.

B11. Material litigation

Save as disclosed below, our Group is not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and there is no proceeding pending or threatened or any fact likely to give rise to an proceedings which might materially affect our potion or business as at the date of this report.

Industrial Court of Malaysia Case No. 9/4-1611/21 involving STSB (“Industrial Court Case”)

The Industrial Court case as stated in Prospectus is awaiting Industrial Court’s award in due course. Pursuant to paragraph 3.1 of the Guidelines Governing Awards in Dismissal Cases (Practice Note No.3 of 2019) issued by the Industrial Court, the maximum back wages that may be awarded by the Industrial Court is 24 months of the last drawn salary. Nonetheless, in the event that our Group is liable to pay the maximum back wages, the financial impact to the Group will not be significant and our Group has sufficient cash flow to meet such obligation which is not expected to have any significant impact on our Group’s liquidity.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

B11. Dividend

No dividend has been proposed or declared for payment by the Board of Directors of the Company during the current financial quarter under review.

B12. Earnings per share

	Individual quarter		Cumulative quarter	
	Current year quarter 31.03.2022	Preceding year quarter ⁽¹⁾ 31.03.2021	Current year-to-date 31.03.2022	Preceding year-to- date ⁽¹⁾ 31.03.2021
Profit attributable to owners of the Company (RM'000)	8,674	N/A	8,674	N/A
Number of ordinary shares in issue ('000)	592,560	N/A	592,560	N/A
Diluted number of ordinary shares ('000)	800,000	N/A	800,000	N/A
Basic EPS (sen) ⁽²⁾	1.46	N/A	1.46	N/A
Diluted EPS (sen) ⁽³⁾	1.08	N/A	1.08	N/A

Notes:

N/A Not applicable

- (1) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as the Company as no interim financial report was prepared for the comparative financial period concerned.
- (2) Basic earnings per share ("EPS") for the individual quarter ended 31 March 2022 and year-to-date ended 31 March 2022 is calculated based on the share capital of 592,560,000 Shares in issue as at 31 March 2022.
- (3) Diluted EPS of the Company for the individual quarter ended 31 March 2022 and year-to-date ended 31 March 2022 is calculated based on the assumed number of Shares in issue pursuant to the completion of the IPO, which is 800,000,000 Shares as disclosed in Note A7. There are no dilutive instruments as at the end of the financial period.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

B13. Notes to the Condensed Consolidated Statement of Profit and Other Comprehensive Income

Profit for the period was derived after taking into consideration of the following:-

	Individual quarter		Cumulative quarter	
	Current year quarter	Preceding year quarter ⁽¹⁾	Current year- to-date	Preceding year-to-date ⁽¹⁾
	31.03.2022	31.03.2021	31.03.2022	31.03.21
	RM'000	RM'000	RM'000	RM'000
After charging/ (crediting) :				
Amortisation of intangible assets	257	N/A	257	N/A
Depreciation on property, plant & equipment	1,700	N/A	1,700	N/A
Expenses related to short term leases – premises	31	N/A	31	N/A
Expenses related to low value assets -		N/A		N/A
- machinery	-	N/A	-	N/A
- office equipment	4	N/A	4	N/A
Interest expense	409	N/A	409	N/A
Loss/(Gain) on foreign exchange		N/A		
- Realised	15	N/A	15	N/A
- Unrealised	(217)	N/A	(217)	N/A
Deferred income release	(174)	N/A	(174)	N/A
Interest income	(18)	N/A	(18)	N/A

Notes:

N/A Not applicable

(1) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as the Company as no interim financial report was prepared for the comparative financial period concerned.

Save for the above, the other disclosure items as required under Rule 16, part A of Appendix 9B of the Listing Requirements are not applicable.

BY ORDER OF THE BOARD
SFP TECH HOLDING BERHAD
16 JUNE 2022