

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2024<sup>(1)</sup>**

	Note	Individual quarter		Cumulative quarter	
		Unaudited Current year quarter 31.03.2024 RM'000	Unaudited Preceding year corresponding quarter 31.03.2023 RM'000	Unaudited Current year-to-date 31.03.2024 RM'000	Unaudited Preceding year corresponding year-to-date 31.03.2023 RM'000
<b>Revenue</b>	A9	<b>33,695</b>	<b>34,613</b>	<b>33,695</b>	<b>34,613</b>
Cost of sales		(18,844)	(21,574)	(18,844)	(21,574)
<b>Gross profit</b>		<b>14,851</b>	<b>13,039</b>	<b>14,851</b>	<b>13,039</b>
Other income	B5	1,237	761	1,237	761
Administration expenses		(4,480)	(2,933)	(4,480)	(2,933)
<b>Operating profit</b>		<b>11,608</b>	<b>10,867</b>	<b>11,608</b>	<b>10,867</b>
Finance costs		(625)	(551)	(625)	(551)
Finance income		261	355	261	355
<b>Profit before tax ("PBT")</b>	B15	<b>11,244</b>	<b>10,671</b>	<b>11,244</b>	<b>10,671</b>
Tax expense	B6	(2,160)	(568)	(2,160)	(568)
<b>Profit for the financial period</b>		<b>9,084</b>	<b>10,103</b>	<b>9,084</b>	<b>10,103</b>
Other comprehensive income, net of tax		-	-	-	-
<b>Total comprehensive income for the financial period</b>		<b>9,084</b>	<b>10,103</b>	<b>9,084</b>	<b>10,103</b>
<b>Profit attributable to:</b>					
Owners of the Company		<b>9,084</b>	<b>10,103</b>	<b>9,084</b>	<b>10,103</b>
		<b>9,084</b>	<b>10,103</b>	<b>9,084</b>	<b>10,103</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		9,084	10,103	9,084	10,103
		<b>9,084</b>	<b>10,103</b>	<b>9,084</b>	<b>10,103</b>
<b>Earnings per ordinary share attributable to owners of the Company:</b>					
Basic earnings per share (sen)	B14	0.38 <sup>(2)</sup>	0.42 <sup>(3)</sup>	0.38 <sup>(2)</sup>	0.42 <sup>(3)</sup>

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

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**Notes:**

- (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 Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic earnings per share ("**EPS**") is calculated based on the profits attributable to owners of the Company divided by the total number of ordinary shares of SFP Tech ("**Share(s)**") in issue as at 31 March 2024. There are no dilutive instruments as at the end of the financial period.
- (3) Comparative weighted average number of shares in issue was restated to take into account the effects of Bonus Issue in calculation of the EPS.

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024<sup>(1)</sup>**

	Note	Unaudited As at 31.03.2024 RM'000	Audited As at 31.12.2023 RM'000
<b>Non-current assets</b>			
Property, plant and equipment		147,448	147,431
Investment property		2,385	2,407
Intangible asset		1,028	1,284
<b>Total non-current assets</b>		<b>150,861</b>	<b>151,122</b>
<b>Current assets</b>			
Inventories		18,436	14,783
Trade receivables		59,362	60,328
Other receivables, deposits and prepayments		12,027	10,993
Tax recoverable		-	330
Cash and cash equivalents		47,359	54,222
<b>Total current assets</b>		<b>137,184</b>	<b>140,656</b>
<b>Total assets</b>		<b>288,045</b>	<b>291,778</b>
<b>Equity</b>			
Share capital		119,489	119,489
Merger reserve		(53,077)	(53,077)
Retained earnings		135,093	130,809
<b>Total equity</b>		<b>201,505</b>	<b>197,221</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		6,378	6,071
Deferred income		678	852
Borrowings	B9	34,152	34,713
<b>Total non-current liabilities</b>		<b>41,208</b>	<b>41,636</b>
<b>Current liabilities</b>			
Trade payables		23,173	33,356
Other payables and accruals		4,880	3,444
Contract liabilities		-	159
Borrowings	B9	16,246	15,962
Current tax liabilities		1,033	-
<b>Total current liabilities</b>		<b>45,332</b>	<b>52,921</b>
<b>Total liabilities</b>		<b>86,540</b>	<b>94,557</b>
<b>Total equity and liabilities</b>		<b>288,045</b>	<b>291,778</b>
<b>Net assets per share (RM)</b>		0.08 <sup>(2)</sup>	0.08 <sup>(2)</sup>

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**Notes:**

- (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 accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the total equity divided by the total number of ordinary shares in issue at the end of the reporting period.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2024<sup>(1)</sup>**

	<-----Attributable to owners of the parent ----->				Total Equity RM'000
	<----- Non-distributable ----->		Distributable		
	Share Capital RM'000	Invested Equity RM'000	Merger Reserves RM'000	Retained Earnings RM'000	
<b>Balance as at 1 January 2024</b>	119,489	-	(53,077)	130,809	197,221
Total comprehensive income for the financial period	-	-	-	9,084	9,084
<i>Transaction with owners:</i>					
Dividend	-	-	-	(4,800)	(4,800)
<b>Balance as at 31 March 2024</b>	<b>119,489</b>	<b>-</b>	<b>(53,077)</b>	<b>135,093</b>	<b>201,505</b>
<b>Balance as at 1 January 2023</b>	119,489	-	(53,077)	100,476	166,888
Total comprehensive income for the financial period	-	-	-	10,103	10,103
<i>Transaction with owners:</i>					
Dividend	-	-	-	(4,000)	(4,000)
<b>Balance as at 31 March 2023</b>	<b>119,489</b>	<b>-</b>	<b>(53,077)</b>	<b>106,579</b>	<b>172,991</b>

**Note:**

- (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 accompanying explanatory notes attached to this interim financial report.

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2024<sup>(1)</sup>**

	<b>Unaudited Current year- to-date 31.03.2024 RM'000</b>	<b>Unaudited Preceding year-to-date 31.03.2023 RM'000</b>
<b>Cash flows from operating activities</b>		
<b>PBT</b>	<b>11,244</b>	<b>10,671</b>
<b>Adjustments for:</b>		
Amortisation of intangible assets	257	257
Deferred income released	(174)	(174)
Depreciation of property, plant and equipment	3,289	1,924
Depreciation on investment property	22	23
Interest expenses	625	551
Interest income	(261)	(355)
Unrealised (gain)/loss on foreign exchange	(472)	302
<b>Operating profit before working capital changes</b>	<b>14,530</b>	<b>13,199</b>
Changes in working capital:		
Inventories	(3,653)	(1,942)
Trade and other receivables	(323)	(28,307)
Trade and other payables	(8,598)	7,070
Contract liabilities	(159)	(523)
<b>Cash generated from/(used in) operations</b>	<b>1,797</b>	<b>(10,503)</b>
Income tax paid	(490)	(538)
Interest paid	(625)	(551)
Interest received	261	355
<b>Net cash from/(used in) operating activities</b>	<b>943</b>	<b>(11,237)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,534)	(2,102)
<b>Net cash used in investing activities</b>	<b>(2,534)</b>	<b>(2,102)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(4,800)	(4,000)
Drawdown of term loans	4,002	2,484
Placement of fixed deposits	-	(600)
Repayment of hire purchase	(3,379)	(2,856)
Repayment of term loans	(1,380)	(773)
<b>Net cash used in financing activities</b>	<b>(5,557)</b>	<b>(5,745)</b>
<b>Net decrease in cash and cash equivalents carried forward</b>	<b>(7,148)</b>	<b>(19,084)</b>

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

	<b>Unaudited Current year- to-date 31.03.2024 RM'000</b>	<b>Unaudited Preceding year-to-date 31.03.2023 RM'000</b>
<b>Net decrease in cash and cash equivalents brought forward</b>	<b>(7,148)</b>	<b>(19,084)</b>
Effect of changes in foreign exchange rate	285	(328)
<b>Cash and cash equivalents at beginning of financial period</b>	<b>52,566</b>	<b>71,158</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>45,703</b>	<b>51,746</b>
<b>Cash and cash equivalents at the end of the financial period comprises:</b>		
Fixed deposits with licensed banks	1,656	1,633
Cash and bank balances	45,703	51,746
Less: Fixed deposits pledged to licensed banks or maturity period more than 3 months	(1,656)	(1,633)
<b>Cash and cash equivalents at the end of the financial period</b>	<b>45,703</b>	<b>51,746</b>

**Note:**

- (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 accompanying explanatory notes attached to this interim financial report.

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#### **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 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**”).

The interim financial statements should be read in conjunction with the accompanying notes attached to this interim financial report.

##### **A2. Summary of accounting policies**

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Group’s annual audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report except for the adoption of the following amendments/ improvements to MFRSs that are mandatory for the current financial year.

###### **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*

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

*Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosure – Supplier Finance Arrangements*

The following are accounting standards that have been issued by the Malaysian Accounting Standards Board but not yet effective for the Group:

###### **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*

###### **Effective date yet to be confirmed**

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

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



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#### **A3. Auditors' report on preceding annual financial statements**

The auditors' report for the preceding annual financial statement of the Group was not subject to 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**

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter under review and year-to-date.

#### **A8. Dividend Paid**

On 23 February 2024, the Board declared a second interim single tier dividend of RM0.002 per Share totalling RM4.80 million in respect of financial year ending 31 December 2023. The second interim single tier dividend was paid on 25 March 2024 to the shareholders whose name appear in the record of depositors on 11 March 2024.

In the previous year corresponding 1<sup>st</sup> quarter ended 31 March 2023, the Company had on 17 February 2023 declared a second interim single-tier dividend of RM0.005 per Share in respect of the financial year ending 31 December 2022 amounting to RM4.00 million which was paid on 23 March 2023 to shareholders whose names appeared in the Company's record of depositors on 6 March 2023. The total dividend declared for the 3-month financial period ended 31 March 2023 was RM0.005 per Share.

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024****A9. Segmental information**

The Group is predominantly an Engineering Supporting Services (“ESS”) provider with integrated capabilities in providing Automation Equipment Solutions (“AES”).

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	
	Unaudited Current year quarter 31.03.2024 RM'000	Unaudited Preceding year quarter 31.03.2023 RM'000	Unaudited Current year-to-date 31.03.2024 RM'000	Unaudited Preceding year-to-date 31.03.2023 RM'000
<b>Revenue</b>				
Engineering supporting services	32,606	32,982	32,606	32,982
Automated equipment solutions	1,089	1,631	1,089	1,631
<b>Total</b>	<b>33,695</b>	<b>34,613</b>	<b>33,659</b>	<b>34,613</b>

## (b) Revenue contribution by geographical locations

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter 31.03.2024 RM'000	Unaudited Preceding year quarter 31.03.2023 RM'000	Unaudited Current year- to-date 31.03.2024 RM'000	Unaudited Preceding year-to-date 31.03.2023 RM'000
<b>Malaysia</b>	5,605	17,128	5,605	17,128
<b>Foreign Markets</b>				
<i>China</i>	24,713	1	24,713	1
<i>Singapore</i>	1,327	1,398	1,327	1,398
<i>USA</i>	996	3,115	996	3,115
<i>Hong Kong</i>	-	12,568	-	12,568
<i>Others</i>	1,054 <sup>(1)</sup>	403 <sup>(2)</sup>	1,054	403
	<b>33,695</b>	<b>34,613</b>	<b>33,695</b>	<b>34,613</b>

Notes:

(1) Others comprise of India, Netherlands, Philippines and Thailand.

(2) Others comprise of India, Netherlands and Philippines.

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#### A10. Valuation of property, plant and equipment

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

#### A11. Material events subsequent to the end of the current financial quarter

There were no significant events subsequent to the end of the current quarter under review.

#### A12. Changes in the composition of the Group

The Company had on 21 February 2024 incorporated a wholly-owned subsidiary in Singapore, namely SFP Integration Private Limited (Registration No. 202406883M) (“**SFP Integration**”).

SFP Integration was incorporated on 21 February 2024 under the Companies Act of Singapore with an initial issued and paid up capital of SGD1,000 comprising 1,000 shares of SGD1 each. The intended principal activities are design, and development of production systems, machinery and equipment and provision of other engineering services.

Save for the 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 for the current financial quarter under review.

#### A14. Capital commitments

	Unaudited As at 31.03.2024 RM'000	Unaudited As at 31.12.2023 RM'000
<b>Authorised and contracted for</b>		
- Building	1,312	2,740
- Property, plant and equipment	29,698	30,573
	<b>31,010</b>	<b>33,313</b>

#### A15. Related party transactions

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

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024****B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of performance - Comparison with previous year's corresponding quarter and financial year-to-date**

	Unaudited Current year Quarter 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Quarter 31.03.2023 RM'000	Unaudited Current Year- To-Date 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Year-To-Date 31.03.2023 RM'000
Revenue	33,695	34,613	33,695	34,613
Gross Profit	14,851	13,039	14,851	13,039
Profit before interest and tax	11,608	10,867	11,608	10,867
PBT	11,244	10,671	11,244	10,671
Profit after tax	9,084	10,103	9,084	10,103
Profit attributed to owners of the company	<b>9,084</b>	<b>10,103</b>	<b>9,084</b>	<b>10,103</b>

The Group recorded revenue of RM33.70 million for the current quarter and year-to-date ended 31 March 2024 which represented a decrease of RM0.91 million or 2.63% as compared to the revenue recorded of RM34.61 million for the preceding year corresponding quarter and corresponding year-to-date ended 31 March 2023.

During the quarter under review, the Group's revenue was principally derived from the ESS segment which contributed RM32.61 million accounting for approximately 96.77% of the total revenue for the current quarter which represented a decrease of RM0.37 million or 1.12% as compared to the revenue generated from the ESS segment in the preceding year corresponding quarter of RM32.98 million.

During the quarter under review, the Group's revenue was mainly derived from customers in China which contributed RM24.71 million accounting for approximately 73.32% of the Group's total revenue for the current quarter and year-to-date ended 31 March 2024 as compared to the preceding year corresponding quarter, whereby the revenue was predominantly from Malaysia and Hong Kong, which contributed in aggregate of approximately 85.79%.

The Group recorded PBT of RM11.24 million for the current quarter ended and year-to-date ended 31 March 2024 after deducting administrative expenses of RM4.48 million, which mainly comprised of staff costs and depreciation of non-manufacturing related to property, plant and equipment and finance costs of RM0.63 million. As compared to the PBT generated by the Group for the preceding year corresponding quarter and year-to-date ended 31 March 2023, it represented an increase of RM0.57 million or 5.34% mainly due to higher gross profit contributions which was offset by higher staff related cost as a result of increase in staff count for current period.

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#### B2. Review of performance - Comparison with Immediate Preceding Quarter's Results

	Quarter Ended		Variance RM'000	%
	31.03.2024 RM'000	31.12.2023 RM'000		
Revenue	33,695	15,903	17,792	111.88
PBT	11,244	9,927	1,317	13.27

The Group recorded an increase in revenue of RM17.79 million or approximately 111.88% for the current quarter ended 31 March 2024 as compared to the preceding quarter ended 31 December 2023. The increase in revenue was mainly due to increase in orders from existing customers coupled with the sales arrangement of consigned parts from the customer for mechanical assembly for the quarter ended 31 December 2023, where such cost of the consignment parts were not recognised as revenue.

The Group's PBT increase by RM1.32 million or approximately 13.27% for the current quarter ended 31 March 2024 as compared to the preceding quarter ended 31 December 2023 is mainly due to higher revenue generated and unrealised foreign exchange gain resulted from the strengthening of the United States dollar against the Malaysian ringgit.

#### B3. Prospects of the Group

SFP Tech specialises in design, development and manufacturing of integrated factory and Automated Equipment Solutions ("AES"), supported by in-house ESS with production capability to customise and process complex precision CNC machined components and sheet metal fabrication. The Group has in total 3 manufacturing plants located in Mainland Penang, with a diversified portfolio of customers across different industries such as semiconductor, electrical and electronic products, solar PV, automotive, healthcare, amongst others.

The Group has reorganised its manufacturing plants to better streamline its business operations, whereby Manufacturing Plant 1 and 2 are positioned to expand the Group's sheet metal fabrication business operations. Manufacturing Plant 2 also houses the Group's existing large format CNC machining operations. Manufacturing Plant 3 houses the Group's multi geometry CNC machining, mechanical assembly, and automated equipment solutions business operations.

The Group had on 21 February 2024 incorporated a wholly-owned subsidiary, namely SFP Integration in Singapore, which the principal activities are in design and development of production systems, machinery and equipment, and provision of other engineering services. According to the SEMI World Fab Forecast, close to 100 new semiconductor wafer fabrications are either going into operation or under construction over the next few years. This new subsidiary is expected to spearhead the Group's growth in capturing this anticipated growth in the semiconductor wafer fabrication space predominantly in the semiconductor Front-Of-Line strategic business opportunities, which is the Group's key focus area. The Group will continue to grow its participation in both the high value-add equipment module and complex piece part fabrication.

The Group's vision inspection equipment handler platforms' first-generation equipment from the design and development ("D&D") activities was developed in conjunction with certain customer's end application space. The next-in-line platform equipment resulting from the Group's D&D activities, catering to different set of customer application space, has been completed in the fourth quarter of 2023. The Group will be launching these platforms during the SEMICON Southeast Asia 2024 expected in the second quarter of 2024.

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Based on the above, the Board of Directors (“**Board**”) is optimistic of the Group’s future prospects in FY2024. Leveraging on our competitive advantage, the Group expects the strategic direction and 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	
	Unaudited Current year quarter 31.03.2024 RM’000	Unaudited Preceding year quarter 31.03.2023 RM’000	Unaudited Current year-to-date 31.03.2024 RM’000	Unaudited Preceding year-to-date 31.03.2023 RM’000
Unrealised gain on foreign exchange	472	-	472	-
Government grant	174	174	174	174
Scrap income	163	291	163	291
Rental income	428	296	428	296
<b>Total</b>	<b>1,237</b>	<b>761</b>	<b>1,237</b>	<b>761</b>

**B6. Tax expense**

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter 31.03.2024 RM’000	Unaudited Preceding year quarter 31.03.2023 RM’000	Unaudited Current year-to- date 31.03.2024 RM’000	Unaudited Preceding year-to- date 31.03.2023 RM’000
Current tax expense	1,853	568	1,853	568
Deferred tax expense	307	-	307	-
Total tax expenses	2,160	568	2,160	568
Effective tax rate (%)	19.21	5.32	19.21	5.32
Statutory tax rate (%)	24.00	24.00	24.00	24.00

The effective tax rate of the Group of 19.21% and 5.32% for the current and cumulative quarter respectively was lower than the statutory tax rate of 24.00% mainly due to tax incentive from pioneer status tax exemption of STSB.

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**B7. Status of corporate proposals**

On 11 September 2023, the Company announced to undertake the following proposals:

- (i) Proposed transfer of the listing of and quotation for the entire issued share capital of SFP Tech from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Proposed Transfer**”); and
- (ii) Proposed amendments to the constitution of SFP Tech to facilitate the implementation of the Proposed Transfer (“**Proposed Amendments**”)

(collectively referred to as the “**Proposals**”)

Approval from the shareholders of the Company in relation to the Proposed Amendments was obtained at an extraordinary meeting held on 23 February 2024. The Proposed Amendments will be implemented and take effect from the date the Company is transferred from the ACE Market to the Main Market of Bursa Securities.

The application to the relevant authorities in relation to the Proposed Transfer is expected to be made by the 2<sup>nd</sup> quarter of 2024.

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

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

**B8. Utilisation of Proceeds from the Initial Public Offering (“IPO”)**

The status of utilisation of proceeds from IPO as at 31 March 2024 is as follows:

<b>Details of utilisation</b>	<b>Proposed utilisation<sup>(1)</sup></b>	<b>Variation<sup>(1)</sup> / Deviation<sup>(2)</sup></b>	<b>Revised utilisation</b>	<b>Actual utilisation</b>	<b>Balance unutilised proceeds</b>	<b>Original time frame for utilisation (from date of listing on 20 June 2022)</b>	<b>Revised timeframe for utilisation (from date of listing on 20 June 2022)<sup>(1)</sup></b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>		
Purchase of new machinery and equipment	24,500	784	25,284	21,684	3,600	Within 36 months	No change
Construction of Manufacturing Plant 3	15,000	-	15,000	15,000	-	Within 24 months	No change
Repayment of bank borrowings	10,000	-	10,000	10,000	-	Within 12 months	Not applicable <sup>(3)</sup>
Working capital expenditure	5,132	555	5,687	5,687	-	Within 12 months	Within 24 months
Estimated listing expenses	4,600	(555)	4,045	4,045	-	Within 3 months	Not applicable <sup>(3)</sup>
D&D centre	3,000	(784)	2,216	2,216	-	Within 12 months	Within 18 months
<b>Total</b>	<b>62,232</b>	<b>-</b>	<b>62,232</b>	<b>58,632</b>	<b>3,600</b>		

**Notes:**

- (1) The utilisation of proceeds and the variation as well as the extension of time for the utilisation of the proceeds from the IPO as disclosed above should be read in conjunction with the prospectus of the Company dated 26 May 2022 (“**Prospectus**”) and the Company’s announcement dated 20 June 2023 pertaining to the variation and extension of time for the utilisation of IPO proceeds.
- (2) The actual utilisation for listing expenses amounted to approximately RM4.05 million. In accordance with section 4.4.5 of the Prospectus, the excess amounting to approximately RM0.56 million will be used for working capital purposes.
- (3) Not applicable as the proceeds allocated has been fully utilised/reallocated to other purposes.



**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

**B9. Borrowings**

As at 31 March 2024, the Group has total borrowings of RM50.40 million as follows:

	<b>Unaudited As at 31.03.2024 RM'000</b>	<b>Audited As at 31.12.2023 RM'000</b>
<b>Non-current liabilities (secured)</b>		
Term loans	25,758	26,649
Hire purchase	8,394	8,064
	<u>34,152</u>	<u>34,713</u>
<b>Current liabilities (secured)</b>		
Term loans	4,206	4,214
Hire purchase	12,040	11,748
	<u>16,246</u>	<u>15,962</u>
<b>Total borrowings</b>		
Term loans	29,964	30,863
Hire purchase	20,434	19,812
	<u><b>50,398</b></u>	<u><b>50,675</b></u>

The currency of borrowing is as follows:

	<b>Unaudited As at 31.03.2024 RM'000</b>	<b>Audited As at 31.12.2023 RM'000</b>
Ringgit Malaysia	44,453	44,754
United States Dollar	5,945	5,921
	<u><b>50,398</b></u>	<u><b>50,675</b></u>

**B10. Derivative financial instruments**

As at 31 March 2024, the Group does not have any derivative financial instruments.

**B11. Fair value of financial liabilities**

The Group did not have any financial liabilities measured at fair value for the current quarter under review and year-to-date.

**B12. Material litigation**

The Group is not involved/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 proceedings which might materially affect our position or business as at the date of this report.

**SFP TECH HOLDINGS BERHAD**

(Registration No. 202101004713 (1405012-M))

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

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**B13. Dividend**

There was no dividend proposed or declared during the quarter under review save as disclosed in Note A8.

**B14. Earnings per share**

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter 31.03.2024	Unaudited Preceding year quarter 31.03.2023	Unaudited Current year-to-date 31.03.2024	Unaudited Preceding year-to-date 31.03.2023
Profit attributable to owners of the Company (RM'000)	9,084	10,103	9,084	10,103
Weighted average number of ordinary shares in issue ('000)	2,400,000	2,400,000	2,400,000	2,400,000
Basic EPS (sen)	0.38 <sup>(1)</sup>	0.42 <sup>(2)</sup>	0.38 <sup>(1)</sup>	0.42 <sup>(2)</sup>

**Notes:**

- (1) Basic EPS is calculated based on the profits attributable to owners of the Company divided by the total number of ordinary shares in issue as at 31 March 2024. There are no dilutive instruments as at the end of the financial period.
- (2) Comparative weighted average number of shares in issue was restated to take into account the effects of Bonus Issue.

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

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**B15. 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	
	Unaudited Current year quarter 31.03.2024 RM'000	Unaudited Preceding year quarter 31.03.2023 RM'000	Unaudited Current year- to-date 31.03.2024 RM'000	Unaudited Preceding year-to-date 31.03.2023 RM'000
<b>After charging/(crediting) :</b>				
Amortisation of intangible assets	257	257	257	257
Depreciation on				
- Property, plant and equipment	3,289	1,924	3,289	1,924
- Investment property	22	23	22	23
Expenses related to short term leases - premises	235	96	235	96
Expenses related to low value assets – office equipment	8	8	8	8
(Gain)/loss on foreign exchange				
- realised	306	144	306	144
- unrealised	(472)	302	(472)	302
Deferred income released	(174)	(174)	(174)	(174)

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**  
**10 MAY 2024**