

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2024⁽¹⁾

	Note	Individual quarter		Cumulative quarter	
		Unaudited Current year quarter 30.06.2024 RM'000	Unaudited Preceding year corresponding quarter 30.06.2023 RM'000	Unaudited Current year-to-date 30.06.2024 RM'000	Unaudited Preceding year corresponding year-to-date 30.06.2023 RM'000
Revenue	A9	45,392	36,441	79,087	71,054
Cost of sales		(25,152)	(24,685)	(43,996)	(46,259)
Gross profit		20,240	11,756	35,091	24,795
Other income	B5	508	2,155	1,745	2,916
Administration expenses		(5,195)	(2,468)	(9,675)	(5,401)
Operating profit		15,553	11,443	27,161	22,310
Finance costs		(631)	(616)	(1,256)	(1,167)
Finance income		197	340	458	695
Profit before tax ("PBT")	B15	15,119	11,167	26,363	21,838
Tax expense	B6	(2,232)	(536)	(4,392)	(1,104)
Profit for the financial period		12,887	10,631	21,971	20,734
Other comprehensive income, net of tax:					
Currency translation of foreign operations		8	-	8	-
Total comprehensive income for the financial period		12,895	10,631	21,979	20,734
Profit attributable to:					
Owners of the Company		12,887	10,631	21,971	20,734
		12,887	10,631	21,971	20,734
Total comprehensive income attributable to:					
Owners of the Company		12,895	10,631	21,979	20,734
		12,895	10,631	21,979	20,734
Earnings per ordinary share attributable to owners of the Company:					
Basic earnings per share (sen)	B14	0.54 ⁽²⁾	0.44 ⁽³⁾	0.92 ⁽²⁾	0.86 ⁽³⁾

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

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 30 June 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 SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024⁽¹⁾

	Note	Unaudited As at 30.06.2024 RM'000	Audited As at 31.12.2023 RM'000
Non-current assets			
Property, plant and equipment		157,553	147,431
Investment property		2,362	2,407
Intangible asset		770	1,284
Total non-current assets		160,685	151,122
Current assets			
Inventories		17,756	14,783
Trade receivables		79,009	60,328
Other receivables, deposits and prepayments		9,512	10,993
Tax recoverable		-	330
Cash and cash equivalents		50,786	54,222
Total current assets		157,063	140,656
Total assets		317,748	291,778
Equity			
Share capital		119,489	119,489
Other reserves		(53,069)	(53,077)
Retained earnings		147,980	130,809
Total equity		214,400	197,221
Non-current liabilities			
Deferred tax liabilities		6,885	6,071
Deferred income		504	852
Borrowings	B9	44,698	34,713
Total non-current liabilities		52,087	41,636
Current liabilities			
Trade payables		22,730	33,356
Other payables and accruals		7,254	3,444
Contract liabilities		297	159
Borrowings	B9	18,615	15,962
Current tax liabilities		2,365	-
Total current liabilities		51,261	52,921
Total liabilities		103,348	94,557
Total equity and liabilities		317,748	291,778
Net assets per share (RM) ⁽²⁾		0.09	0.08

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

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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SFP TECH HOLDINGS BERHAD

(Registration No. 202101004713 (1405012-M))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2024⁽¹⁾**

	<-----Attributable to owners of the parent ----->				
	<----- Non-distributable ----->		Distributable		
	Share Capital RM'000	Currency Translation Reserves RM'000	Merger Reserves RM'000	Retained Earnings RM'000	Total Equity RM'000
Balance as at 1 January 2024	119,489	-	(53,077)	130,809	197,221
Total comprehensive income for the financial period	-	8	-	21,971	21,979
<i>Transaction with owners:</i>					
Dividend	-	-	-	(4,800)	(4,800)
Balance as at 30 June 2024	119,489	8	(53,077)	147,980	214,400
Balance as at 1 January 2023	119,489	-	(53,077)	100,476	166,888
Total comprehensive income for the financial period	-	-	-	20,734	20,734
<i>Transaction with owners:</i>					
Dividend	-	-	-	(4,000)	(4,000)
Balance as at 30 June 2023	119,489	-	(53,077)	117,210	183,622

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 SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2024⁽¹⁾

	Unaudited Current year- to-date 30.06.2024 RM'000	Unaudited Preceding year-to-date 30.06.2023 RM'000
Cash flows from operating activities		
PBT	26,363	21,838
Adjustments for:		
Amortisation of intangible assets	514	514
Deferred income released	(348)	(348)
Depreciation of property, plant and equipment	6,705	4,321
Depreciation on investment property	45	45
Interest expenses	1,256	1,167
Interest income	(458)	(695)
Unrealised gain on foreign exchange	(385)	(1,594)
Operating profit before working capital changes	33,692	25,248
Changes in working capital:		
Inventories	(2,973)	(3,814)
Trade and other receivables	(16,922)	(40,719)
Trade and other payables	(6,557)	22,272
Contract liabilities	138	(619)
Cash generated from operations	7,378	2,368
Income tax paid	(884)	(917)
Interest paid	(1,256)	(1,167)
Interest received	458	695
Net cash from operating activities	5,696	979
Cash flows from investing activities		
Purchase of property, plant and equipment	(16,827)	(11,857)
Net cash used in investing activities	(16,827)	(11,857)
Cash flows from financing activities		
Dividend paid	(4,800)	(4,000)
Drawdown of bank borrowings	21,725	2,484
Placement of fixed deposits	-	(600)
Repayment of hire purchase	(7,122)	(5,688)
Repayment of term loans	(2,444)	(2,125)
Net cash from/(used in) financing activities	7,359	(9,929)
Net decrease in cash and cash equivalents carried forward	(3,772)	(20,807)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

	Unaudited Current year- to-date 30.06.2024 RM'000	Unaudited Preceding year-to-date 30.06.2023 RM'000
Net decrease in cash and cash equivalents brought forward	(3,772)	(20,807)
Effect of changes in foreign exchange rate	336	381
Cash and cash equivalents at beginning of financial period	52,566	71,158
Cash and cash equivalents at end of financial period	49,130	50,732
Cash and cash equivalents at the end of the financial period comprises:		
Fixed deposits with licensed banks	1,656	1,633
Cash and bank balances	49,130	50,732
Less: Fixed deposits pledged to licensed banks or maturity period more than 3 months	(1,656)	(1,633)
Cash and cash equivalents at the end of the financial period	49,130	50,732

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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SFP TECH HOLDINGS BERHAD

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

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 (2022 amendments)

Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current (2020 amendments)

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 for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures – Classifications and Measurement of Financial Instruments

Effective for annual periods beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

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

There was no dividend proposed or declared during the current quarter under review.

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 2nd quarter ended 30 June 2024, there was no dividend declared. On 17 February 2023, the Board 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 6-month financial period ended 30 June 2023 was RM0.005 per Share.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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 30.06.2024 RM'000	Unaudited Preceding year quarter 30.06.2023 RM'000	Unaudited Current year-to-date 30.06.2024 RM'000	Unaudited Preceding year-to-date 30.06.2023 RM'000
Revenue				
Engineering supporting services	44,287	34,559	76,893	67,541
Automated equipment solutions	1,105	1,882	2,194	3,513
Total	45,392	36,441	79,087	71,054

(b) Revenue contribution by geographical locations

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter 30.06.2024 RM'000	Unaudited Preceding year quarter 30.06.2023 RM'000	Unaudited Current year- to-date 30.06.2024 RM'000	Unaudited Preceding year-to-date 30.06.2023 RM'000
Malaysia	5,471	30,547	11,076	47,675
Foreign Markets				
<i>China</i>	29,481	-	54,194	1
<i>USA</i>	8,056	4,378	9,052	7,493
<i>Singapore</i>	810	1,268	2,137	2,666
<i>Hong Kong</i>	-	-	-	12,568
<i>Others</i>	1,574 ⁽¹⁾	248 ⁽²⁾	2,628 ⁽¹⁾	651 ⁽¹⁾
	45,392	36,441	79,087	71,054

Notes:

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

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

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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

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 30.06.2024 RM'000	Unaudited As at 31.12.2023 RM'000
Authorised and contracted for		
- Building	-	2,740
- Property, plant and equipment	18,591	30,573
	<u>18,591</u>	<u>33,313</u>

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 SECOND QUARTER ENDED 30 JUNE 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 30.06.2024 RM'000	Unaudited Preceding Year Corresponding Quarter 30.06.2023 RM'000	Unaudited Current Year- To-Date 30.06.2024 RM'000	Unaudited Preceding Year Corresponding Year-To-Date 30.06.2023 RM'000
Revenue	45,392	36,441	79,087	71,054
Gross Profit	20,240	11,756	35,091	24,795
Profit before interest and tax	15,553	11,443	27,161	22,310
PBT	15,119	11,167	26,363	21,838
Profit after tax	12,887	10,631	21,971	20,734
Profit attributed to owners of the company	12,887	10,631	21,971	20,734

The Group recorded revenue of RM45.39 million for the current quarter and RM79.09 million year-to-date ended 30 June 2024 which represented an increase of RM8.95 million or 24.56% and RM8.04 million or 11.32% as compared to the revenue recorded of RM36.44 million and RM71.05 million for the preceding year corresponding quarter and corresponding year-to-date ended 30 June 2023, respectively.

During the quarter under review, the Group's revenue was principally derived from the ESS segment which contributed RM44.29 million accounting for approximately 97.58% of the total revenue for the current quarter which represented an increase of RM9.73 million or 28.15% as compared to the revenue generated from the ESS segment in the preceding year corresponding quarter of RM34.56 million due mainly to increase in orders. For the year-to-date ended 30 June 2024, the Group's revenue was also principally derived from the ESS segment which contributed RM76.89 million accounting for approximately 97.22% of the revenue current year-to-date which represented an increase of RM9.35 million or 13.84% as compared to the revenue generated from the ESS segment in the preceding year corresponding year-to-date of RM67.54 million due mainly to increase in orders from customer.

During the quarter under review, the Group's revenue was mainly derived from customers in China and USA which contributed RM37.54 million accounting for approximately 82.71% of the Group's total revenue for the current quarter which represented an increase of RM33.16 million or 757.08% as compared to the revenue derived from customers in China and USA in the preceding year corresponding quarter of RM4.38 million. For the year-to-date ended 30 June 2024, the Group's revenue was mainly derived from customers in Malaysia and China, which in aggregate contributed a total of RM65.27 million accounting for approximately 82.53% of the Group's total revenue for the current year-to-date ended 30 June 2024 as compared to the preceding year corresponding year-to-date whereby the revenue was predominately from Malaysia and Hong Kong, which accounted for 84.78% of the Group's total revenue.

The Group recorded PBT of RM15.12 million and RM26.36 million for the current quarter ended and year-to-date ended 30 June 2024 after deducting administrative expenses of RM5.20 million and RM9.68 million respectively, which mainly comprised of staff costs and depreciation of non-manufacturing related to property, plant and equipment and finance costs

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of RM0.63 million and RM1.26 million respectively. As compared to the PBT generated by the Group for the preceding year corresponding quarter and year-to-date ended 30 June 2023, it represented an increase of RM3.95 million or 35.39% and RM4.52 million or 20.72% due mainly to higher gross profit generated resulting from increase in revenue.

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

	Quarter Ended		Variance	
	30.06.2024 RM'000	31.03.2024 RM'000	RM'000	%
Revenue	45,392	33,695	11,697	34.71
PBT	15,119	11,244	3,875	34.46

The Group recorded an increase in revenue of RM11.70 million or approximately 34.71% for the current quarter ended 30 June 2024 as compared to the preceding quarter ended 31 March 2024. The increasing in revenue was mainly from ESS segment during the quarter was driven by increase in orders from customers.

The Group's PBT increase by RM3.88 million or approximately 34.46% for the current quarter ended 30 June 2024 as compared to the preceding quarter ended 31 March 2024 is due mainly to higher gross profit generated resulting from increase in revenue.

B3. Prospects of the Group

SFP Tech specialises in design, development and manufacturing of integrated factory and Automated Equipment Solutions ("AES") and Semiconductor equipment, 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 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 equipment 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 has launched these platforms during the SEMICON Southeast Asia 2024 from 28 May 2024 to 30 May 2024.

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.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**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 30.06.2024 RM'000	Unaudited Preceding year quarter 30.06.2023 RM'000	Unaudited Current year-to-date 30.06.2024 RM'000	Unaudited Preceding year-to-date 30.06.2023 RM'000
Unrealised (loss)/gain on foreign exchange	(87)	1,594	385	1,594
Realised gain on foreign exchange	-	26	-	26
Government grant	174	174	348	348
Scrap income	170	65	333	356
Rental income	251	296	679	592
Total	508	2,155	1,745	2,916

B6. Tax expense

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter 30.06.2024 RM'000	Unaudited Preceding year quarter 30.06.2023 RM'000	Unaudited Current year-to- date 30.06.2024 RM'000	Unaudited Preceding year-to- date 30.06.2023 RM'000
Current tax expense	1,725	426	3,578	884
Deferred tax expense	507	110	814	220
Total tax expenses	2,232	536	4,392	1,104
Effective tax rate (%)	14.76	4.80	16.66	5.06
Statutory tax rate (%)	24.00	24.00	24.00	24.00

The effective tax rate of the Group of 14.76% and 16.66% 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.

B7. Status of corporate proposals

(a) Proposed Transfer

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 2nd half of 2024.

(b) Proposed ESOS

On 4 June 2024, the Company announced to undertake the proposed establishment of an employees share option scheme (“**ESOS**”) of up to 10% of the total number of issued ordinary shares of SFP Tech (excluding treasury shares, if any) at any point in time over the duration of the ESOS for the eligible directors and employees of SFP Tech and its subsidiaries (excluding dormant subsidiaries, if any) (“**Proposed ESOS**”).

Approval from the shareholders of the Company in relation to the Proposed ESOS was obtained at an extraordinary meeting held on 12 July 2024. The effective date for the implementation of the Proposed ESOS is on 18 July 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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B8. Utilisation of Proceeds from the Initial Public Offering (“IPO”)

The status of utilisation of proceeds from IPO as at 30 June 2024 is as follows:

Details of utilisation	Proposed utilisation⁽¹⁾	Variation⁽¹⁾ / Deviation⁽²⁾	Revised utilisation	Actual utilisation	Balance unutilised proceeds	Original time frame for utilisation (from date of listing on 20 June 2022)	Revised timeframe for utilisation (from date of listing on 20 June 2022)⁽¹⁾
	RM'000	RM'000	RM'000	RM'000	RM'000		
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 ⁽³⁾
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 ⁽³⁾
D&D centre	3,000	(784)	2,216	2,216	-	Within 12 months	Within 18 months
Total	62,232	-	62,232	58,632	3,600		

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 SECOND QUARTER ENDED 30 JUNE 2024

B9. Borrowings

As at 30 June 2024, the Group has total borrowings of RM63.31 million as follows:

	Unaudited As at 30.06.2024 RM'000	Audited As at 31.12.2023 RM'000
Non-current liabilities (secured)		
Term loans	29,528	26,649
Hire purchase	15,170	8,064
	<u>44,698</u>	<u>34,713</u>
Current liabilities (secured)		
Term loans	4,051	4,214
Hire purchase	14,564	11,748
	<u>18,615</u>	<u>15,962</u>
Total borrowings		
Term loans	33,579	30,863
Hire purchase	29,734	19,812
	<u>63,313</u>	<u>50,675</u>

The currency of borrowing is as follows:

	Unaudited As at 30.06.2024 RM'000	Audited As at 31.12.2023 RM'000
Ringgit Malaysia	57,500	44,754
United States Dollar	5,813	5,921
	<u>63,313</u>	<u>50,675</u>

B10. Derivative financial instruments

As at 30 June 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 SECOND QUARTER ENDED 30 JUNE 2024**B13. Dividend**

On 16 August 2024, the Board declared an interim single tier dividend of 0.2 sen per Share totalling RM4.80 million in respect of financial year ending 31 December 2024. The interim single tier dividend will be paid on 13 September 2024 to the shareholders whose name appear in the Record of Depositors on 2 September 2024.

B14. Earnings per share

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter 30.06.2024	Unaudited Preceding year quarter 30.06.2023	Unaudited Current year-to-date 30.06.2024	Unaudited Preceding year-to-date 30.06.2023
Profit attributable to owners of the Company (RM'000)	12,895	10,631	21,979	20,734
Weighted average number of ordinary shares in issue (^000)	2,400,000	2,400,000	2,400,000	2,400,000
Basic EPS (sen)	0.54 ⁽¹⁾	0.44 ⁽²⁾	0.92 ⁽¹⁾	0.86 ⁽²⁾

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 30 June 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 SECOND QUARTER ENDED 30 JUNE 2024

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 30.06.2024 RM'000	Unaudited Preceding year quarter 30.06.2023 RM'000	Unaudited Current year- to-date 30.06.2024 RM'000	Unaudited Preceding year-to-date 30.06.2023 RM'000
After charging/(crediting) :				
Amortisation of intangible assets	257	257	514	514
Depreciation on				
- Property, plant and equipment	3,416	2,397	6,705	4,321
- Investment property	23	23	45	45
Expenses related to short term leases - premises	240	94	475	190
Expenses related to low value assets – office equipment	13	8	21	16
(Gain)/loss on foreign exchange				
- realised	(54)	(26)	252	(26)
- unrealised	87	(1,594)	(385)	(1,594)
Deferred income released	(174)	(174)	(348)	(348)

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 AUGUST 2024