

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

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

	Note	Individual quarter		Cumulative quarter	
		Unaudited Current year quarter 30.09.2024 RM'000	Unaudited Preceding year corresponding quarter 30.09.2023 RM'000	Unaudited Current year-to-date 30.09.2024 RM'000	Unaudited Preceding year corresponding year-to-date 30.09.2023 RM'000
Revenue	A9	47,127	37,456	126,214	108,510
Cost of sales		(25,532)	(24,543)	(69,528)	(70,802)
Gross profit		21,595	12,913	56,686	37,708
Other income	B5	175	2,044	1,920	4,960
Administration expenses		(11,194)	(3,067)	(20,869)	(8,468)
Operating profit		10,576	11,890	37,737	34,200
Finance costs		(809)	(600)	(2,065)	(1,767)
Finance income		189	269	647	964
Profit before tax ("PBT")	B15	9,956	11,559	36,319	33,397
Tax expense	B6	(922)	(530)	(5,314)	(1,634)
Profit for the financial period		9,034	11,029	31,005	31,763
Other comprehensive income, net of tax:					
Currency translation of foreign operations		(100)	-	(92)	-
Total comprehensive income for the financial period		8,934	11,029	30,913	31,763
Profit attributable to:					
Owners of the Company		9,034	11,029	31,005	31,763
		9,034	11,029	31,005	31,763
Total comprehensive income attributable to:					
Owners of the Company		8,934	11,029	30,913	31,763
		8,934	11,029	30,913	31,763
Earnings per ordinary share attributable to owners of the Company:					
Basic earnings per share (sen) ⁽²⁾	B14	0.38	0.46	1.29	1.32

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2024. There are no dilutive instruments as at the end of the financial period.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

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

	Note	Unaudited As at 30.09.2024 RM'000	Audited As at 31.12.2023 RM'000
Non-current assets			
Property, plant and equipment		158,868	147,431
Investment property		2,340	2,407
Intangible asset		513	1,284
Total non-current assets		161,721	151,122
Current assets			
Inventories		18,884	14,783
Trade receivables		95,716	60,328
Other receivables, deposits and prepayments		9,194	10,993
Tax recoverable		-	330
Cash and cash equivalents		44,690	54,222
Total current assets		168,484	140,656
Total assets		330,205	291,778
Equity			
Share capital		119,489	119,489
Other reserves		(53,169)	(53,077)
Retained earnings		152,214	130,809
Total equity		218,534	197,221
Non-current liabilities			
Deferred tax liabilities		7,220	6,071
Deferred income		330	852
Borrowings	B9	50,185	34,713
Total non-current liabilities		57,735	41,636
Current liabilities			
Trade payables		24,307	33,356
Other payables and accruals		5,378	3,444
Contract liabilities		445	159
Borrowings	B9	21,551	15,962
Current tax liabilities		2,255	-
Total current liabilities		53,936	52,921
Total liabilities		111,671	94,557
Total equity and liabilities		330,205	291,778
Net assets per share (RM) ⁽²⁾		0.09	0.08

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

	<-----Attributable to owners of the parent ----->				Total Equity RM'000
	Share Capital RM'000	Currency Translation Reserves RM'000	Merger Reserves RM'000	Retained Earnings RM'000	
Balance as at 1 January 2024	119,489	-	(53,077)	130,809	197,221
Total comprehensive income for the financial period	-	(92)	-	31,005	30,913
<i>Transaction with owners:</i>					
Dividend	-	-	-	(9,600)	(9,600)
Balance as at 30 September 2024	119,489	(92)	(53,077)	152,214	218,534
Balance as at 1 January 2023	119,489	-	(53,077)	100,476	166,888
Total comprehensive income for the financial period	-	-	-	31,763	31,763
<i>Transaction with owners:</i>					
Dividend	-	-	-	(8,800)	(8,800)
Balance as at 30 September 2023	119,489	-	(53,077)	123,439	189,851

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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SFP TECH HOLDINGS BERHAD

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(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024⁽¹⁾**

	Unaudited Current year- to-date 30.09.2024 RM'000	Unaudited Preceding year-to-date 30.09.2023 RM'000
Cash flows from operating activities		
PBT	36,319	33,397
Adjustments for:		
Amortisation of intangible assets	771	770
Deferred income released	(522)	(522)
Depreciation of property, plant and equipment	10,497	7,139
Depreciation on investment property	64	68
Interest expenses	2,065	1,767
Interest income	(647)	(964)
Unrealised (gain)/loss on foreign exchange	5,627	(2,203)
Operating profit before working capital changes	54,174	39,452
Changes in working capital:		
Inventories	(4,101)	(5,556)
Trade and other receivables	(39,358)	(48,081)
Trade and other payables	(5,230)	26,102
Contract liabilities	286	(449)
Cash generated from operations	5,771	11,468
Income tax paid	(1,580)	(1,385)
Interest paid	(2,065)	(1,767)
Interest received	647	964
Net cash from operating activities	2,773	9,280
Cash flows from investing activities		
Purchase of property, plant and equipment	(21,989)	(25,716)
Net cash used in investing activities	(21,989)	(25,716)
Cash flows from financing activities		
Dividend paid	(9,600)	(8,800)
Drawdown of bank borrowings	37,059	2,484
Placement of fixed deposits	-	(600)
Repayment of hire purchase	(12,245)	(8,597)
Repayment of term loans	(3,993)	(2,615)
Net cash from/(used in) financing activities	11,221	(18,128)
Net decrease in cash and cash equivalents carried forward	(7,995)	(34,564)

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	Unaudited Current year- to-date 30.09.2024 RM'000	Unaudited Preceding year-to-date 30.09.2023 RM'000
Net decrease in cash and cash equivalents brought forward	(7,995)	(34,564)
Effect of changes in foreign exchange rate	(1,537)	637
Cash and cash equivalents at beginning of financial period	52,566	71,158
Cash and cash equivalents at end of financial period	43,034	37,231
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	43,034	37,231
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	43,034	37,231

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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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 2026

Amendments to MFRS 10 Consolidated Financial Statements

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

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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.

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

Saved as disclosed below, 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.

On 27 August 2024, the Company had made an offer of options under the employees share option scheme ("ESOS") to eligible directors and employees to subscribe for new SFP Tech Shares.

The movements of the ESOS are as follows:

				<-----Number of share options ----->				
Grant Date	Exercise Price (RM)	Vesting Period	As at 1 July 2024	Granted	Exercised	Lapsed	As at 30 September 2024	
Tranche 1	27/08/2024	0.715	Over a period of 1 year up to 26/08/2025	-	35,000,000	-	-	35,000,000
				-	35,000,000	-	-	35,000,000

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A8. Dividend Paid

On 16 August 2024, the Board declared an interim single tier dividend of RM0.002 per Share totalling RM4.80 million in respect of financial year ending 31 December 2024. The interim single tier dividend was paid on 13 September 2024 to the shareholders whose name appear in the record of depositors on 02 September 2024.

In the previous year corresponding 3rd quarter ended 30 September 2023, the Company had on 11 August 2023 declared an interim single tier dividend of RM0.002 per Share in respect of the financial year ended 31 December 2023 amounting to RM4.80 million which was paid on 18 September 2023 to shareholders whose names appeared in the Company's record of depositors on 04 September 2023. The total dividend declared for the 9-month financial period ended 30 September 2023 was RM0.002 per Share.

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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 30.09.2024 RM’000	Unaudited Preceding year quarter 30.09.2023 RM’000	Unaudited Current year-to-date 30.09.2024 RM’000	Unaudited Preceding year-to-date 30.09.2023 RM’000
Revenue				
Engineering supporting services	44,958	36,038	121,851	103,579
Automated equipment solutions	2,169	1,418	4,363	4,931
Total	47,127	37,456	126,214	108,510

(b) Revenue contribution by geographical locations

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter 30.09.2024 RM’000	Unaudited Preceding year quarter 30.09.2023 RM’000	Unaudited Current year- to-date 30.09.2024 RM’000	Unaudited Preceding year-to-date 30.09.2023 RM’000
Malaysia	5,372	33,133	16,448	80,808
Foreign Markets				
<i>China</i>	33,665	-	87,859	1
<i>USA</i>	3,005	2,168	12,057	9,661
<i>Singapore</i>	2,094	1,420	4,231	4,086
<i>Hong Kong</i>	-	-	-	12,568
<i>Others</i>	2,991 ⁽¹⁾	735 ⁽²⁾	5,619 ⁽¹⁾	1,386 ⁽²⁾
	47,127	37,456	126,214	108,510

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Notes:

- (1) Others comprise of India, Netherlands, Philippines and Thailand.
- (2) Others comprise of Netherlands, Philippines, Thailand, Republic of Korea and India.

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 30.09.2024 RM'000	Unaudited As at 31.12.2023 RM'000
Authorised and contracted for		
- Building	-	2,740
- Property, plant and equipment	13,863	30,573
	<u>13,863</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 THIRD QUARTER ENDED 30 SEPTEMBER 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 30.09.2024 RM'000	Unaudited Preceding Year Corresponding Quarter 30.09.2023 RM'000	Unaudited Current Year- To-Date 30.09.2024 RM'000	Unaudited Preceding Year Corresponding Year-To-Date 30.09.2023 RM'000
Revenue	47,127	37,456	126,214	108,510
Gross Profit	21,595	12,913	56,686	37,708
Profit before interest and tax	10,576	11,890	37,737	34,200
PBT	9,956	11,559	36,319	33,397
Profit after tax	9,034	11,029	31,005	31,763
Profit attributed to owners of the company	9,034	11,029	31,005	31,763

The Group recorded revenue of RM47.13 million for the current quarter and RM126.21 million year-to-date ended 30 September 2024 which represented an increase of RM9.67 million or 25.81% and RM17.70 million or 16.31% as compared to the revenue recorded of RM37.46 million and RM108.51 million for the preceding year corresponding quarter and corresponding year-to-date ended 30 September 2023, respectively.

During the quarter under review, the Group's revenue was principally derived from the ESS segment which contributed RM44.96 million accounting for approximately 95.40% of the total revenue for the current quarter which represented an increase of RM8.92 million or 24.75% as compared to the revenue generated from the ESS segment in the preceding year corresponding quarter of RM36.04 million due mainly to increase in orders. For the year-to-date ended 30 September 2024, the Group's revenue was also principally derived from the ESS segment which contributed RM121.85 million accounting for approximately 96.55% of the revenue current year-to-date which represented an increase of RM18.27 million or 17.64% as compared to the revenue generated from the ESS segment in the preceding year corresponding year-to-date of RM103.58 million mainly driven by recurring orders from key customers.

During the quarter under review, the Group's revenue was mainly derived from customers in China and Malaysia which contributed RM39.04 million accounting for approximately 82.83% of the Group's total revenue for the current quarter which represented an increase of RM5.91 million or 17.84% as compared to the revenue derived from customers in China and Malaysia in the preceding year corresponding quarter of RM33.13 million. For the year-to-date ended 30 September 2024, the Group's revenue was mainly derived from customers in China and Malaysia, which in aggregate contributed a total of RM104.31 million accounting for approximately 82.65% of the Group's total revenue for the current year-to-date ended 30 September 2024 as compared to the preceding year corresponding year-to-date whereby the revenue was predominately from Malaysia and Hong Kong, which accounted for 86.06% of the Group's total revenue.

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The Group recorded PBT of RM9.96 million and RM36.32 million for the current quarter ended and year-to-date ended 30 September 2024 after deducting administrative expenses of RM11.19 million and RM20.87 million respectively, which mainly comprised of staff costs and depreciation of property, plant and equipment, finance costs and unrealised foreign exchange loss of RM6.02 million and RM5.63 million respectively. As compared to the PBT generated by the Group for the preceding year corresponding quarter 30 September 2023, it represented a decrease of RM1.60 million or 13.84% due mainly to weakening of United States Dollar against the Ringgit Malaysia. As compared to the PBT generated by the Group for the year-to-date ended 30 September 2023, it represented an increase of RM2.92 million or 8.74% due mainly to higher gross profit generated resulting from increase in revenue. The increase was partially offset by higher unrealised foreign exchange loss resulted from the weakening of the United States dollar against the Malaysian ringgit.

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

	Quarter Ended		Variance RM'000	%
	30.09.2024 RM'000	30.06.2024 RM'000		
Revenue	47,127	45,392	1,735	3.82
PBT	9,956	15,119	(5,163)	(34.15)

The Group recorded an increase in revenue of RM1.74 million or approximately 3.82% for the current quarter ended 30 September 2024 as compared to the preceding quarter ended 30 June 2024. The increasing in revenue was mainly from ESS segment during the quarter was driven by recurring orders from key customers.

The Group's PBT decrease by RM5.16 million or approximately 34.15% for the current quarter ended 30 September 2024 as compared to the preceding quarter ended 30 June 2024 is due mainly to unrealised foreign exchange loss resulted from the weakening 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") 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.

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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 30.09.2024 RM’000	Unaudited Preceding year quarter 30.09.2023 RM’000	Unaudited Current year-to-date 30.09.2024 RM’000	Unaudited Preceding year-to-date 30.09.2023 RM’000
Unrealised (loss)/gain on foreign exchange	(385)	609	-	2,203
Realised gain on foreign exchange	-	879	-	905
Government grant	174	174	522	522
Scrap income	90	86	423	442
Rental income	296	296	975	888
Total	175	2,044	1,920	4,960

B6. Tax expense

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter 30.09.2024 RM’000	Unaudited Preceding year quarter 30.09.2023 RM’000	Unaudited Current year-to-date 30.09.2024 RM’000	Unaudited Preceding year-to-date 30.09.2023 RM’000
Current tax expense	586	268	4,164	1,152
Deferred tax expense	336	360	1,150	580
	922	628	5,314	1,732
Over provision in prior year current tax expense	-	(98)	-	(98)
Total tax expenses	922	530	5,314	1,634
Effective tax rate (%)	9.26	4.59	14.63	4.89
Statutory tax rate (%)	24.00	24.00	24.00	24.00

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The effective tax rate of the Group of 9.26% and 14.63% 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 fourth quarter of 2024.

(b) Proposed ESOS

On 4 June 2024, the Company announced to undertake the 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 September 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	25,284	-	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	62,232	-		

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 THIRD QUARTER ENDED 30 SEPTEMBER 2024

B9. Borrowings

As at 30 September 2024, the Group has total borrowings of RM71.74 million as follows:

	Unaudited As at 30.09.2024 RM'000	Audited As at 31.12.2023 RM'000
Non-current liabilities (secured)		
Term loans	27,973	26,649
Hire purchase	22,212	8,064
	<u>50,185</u>	<u>34,713</u>
Current liabilities (secured)		
Term loans	3,818	4,214
Hire purchase	17,733	11,748
	<u>21,551</u>	<u>15,962</u>
Total borrowings		
Term loans	31,791	30,863
Hire purchase	39,945	19,812
	<u>71,736</u>	<u>50,675</u>

The currency of borrowing is as follows:

	Unaudited As at 30.09.2024 RM'000	Audited As at 31.12.2023 RM'000
Ringgit Malaysia	66,774	44,754
United States Dollar	4,962	5,921
	<u>71,736</u>	<u>50,675</u>

B10. Derivative financial instruments

As at 30 September 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.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

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 30.09.2024	Unaudited Preceding year quarter 30.09.2023	Unaudited Current year-to-date 30.09.2024	Unaudited Preceding year-to-date 30.09.2023
Profit attributable to owners of the Company (RM'000)	9,034	11,029	31,005	31,763
Total number of ordinary shares in issue ('000)	2,400,000	2,400,000	2,400,000	2,400,000
Basic EPS (sen)	0.38 ⁽¹⁾	0.46 ⁽¹⁾	1.29 ⁽¹⁾	1.32 ⁽¹⁾

Note:

- (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 September 2024. There are no dilutive instruments as at the end of the financial period.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30.09.2024 RM'000	Unaudited Preceding year quarter 30.09.2023 RM'000	Unaudited Current year- to-date 30.09.2024 RM'000	Unaudited Preceding year-to-date 30.09.2023 RM'000
After charging/(crediting) :				
Amortisation of intangible assets	257	257	771	770
Depreciation on				
- Property, plant and equipment	3,792	2,818	10,497	7,139
- Investment property	19	23	64	68
Expenses related to short term leases - premises	293	172	768	362
Expenses related to low value assets – office equipment	10	13	31	29
Allowances for expected credit losses	-	78	-	78
Loss/(Gain) on foreign exchange				
- realised	69	(879)	321	(905)
- unrealised	6,012	(609)	5,627	(2,203)
Deferred income released	(174)	(174)	(522)	(522)

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
22 NOVEMBER 2024