GLOBALTEC FORMATION BERHAD

(Incorporated in Malaysia)
Reg. No. 201101024895 (953031-A)

FIRST QUARTERLY REPORT
FINANCIAL YEAR 2025

HIGHLIGHTS

- **The Group's net profit increased marginally to RM1.4 million from RM1.3 million for the preceding year corresponding quarter**
- **Dividend per share of 0.7 sen in respect of financial year 2024 paid on 19 November 2024**
- **Cash/Cash equivalents amounted to RM81.5 million**
- **Net cash position of RM61.9 million**
- **Net assets per share at RM1.002**
- **Gearing reduced to 0.07 times from 0.08 times**

Condensed unaudited consolidated statement of profit or loss and other comprehensive income for the financial period ended 30 September 2024

	Current quarter 30.9.2024 RM'000	Preceding year corresponding quarter 30.9.2023 RM'000	Current period 30.9.2024 RM'000	Preceding year corresponding period 30.9.2023 RM'000
Revenue	43,999	49,616	43,999	49,616
Cost of sales	(32,399)	(39,184)	(32,399)	(39,184)
Gross profit	11,600	10,432	11,600	10,432
Other operating expenses	(10,609)	(8,344)	(10,609)	(8,344)
Other operating income	805	313	805	313
Results from operating activities	1,796	2,401	1,796	2,401
Finance income	510	321	510	321
Finance costs	(250)	(511)	(250)	(511)
Share of loss of associate	(174)	(181)	(174)	(181)
Profit before tax	1,882	2,030	1,882	2,030
Tax expense	(1,128)	(824)	(1,128)	(824)
Profit for the period	754	1,206	754	1,206
Other comprehensive expense, net of tax				
Foreign currency translation differences for foreign operations	(14,605)	(545)	(14,605)	(545)
Total comprehensive (expense)/income for the period	(13,851)	661	(13,851)	661
Profit/(Loss) attributable to:				
Owners of the Company	1,398	1,326	1,398	1,326
Non-controlling interests	(644)	(120)	(644)	(120)
Profit for the period	754	1,206	754	1,206
Total comprehensive (expense)/income attributable to:				
Owners of the Company	(10,613)	309	(10,613)	309
Non-controlling interests	(3,238)	352	(3,238)	352
Total comprehensive (expense)/income for the period	(13,851)	661	(13,851)	661
Basic earnings per ordinary share (sen)	0.519	0.493	0.519	0.493
Diluted earnings per ordinary share (sen)	N/A	N/A	N/A	N/A

(The condensed unaudited consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the Annual Report for the year ended 30 June 2024)

Condensed unaudited consolidated statement of financial position as at 30 September 2024

	As at 30.9.2024 RM'000	Audited 30.6.2024 RM'000
Non-current assets		
Property, plant and equipment	60,293	61,666
Right-of-use assets	30,614	31,376
Exploration and evaluation assets	115,933	131,033
Other investments	53	53
Other financial assets	1,161	1,320
Investment property	13,605	13,605
Intangible assets	25,715	25,821
Investment in associate	19,902	20,075
Total non-current assets	267,276	284,949
Current assets		
Biological assets	734	225
Receivables, deposits and prepayments	27,570	27,770
Inventories	25,800	25,061
Contract assets	2,778	2,794
Other investments	832	814
Current tax assets	1,858	1,821
Cash and cash equivalents	81,516	84,764
Total current assets	141,088	143,249
TOTAL ASSETS	408,364	428,198
Equity attributable to owners of the Company		
Share capital	643,671	643,671
Business combination deficit	(157,064)	(157,064)
Reserves	(217,073)	(205,084)
	269,534	281,523
Non-controlling interests	44,439	44,816
Total equity	313,973	326,339
Long term and deferred liabilities		
Borrowings	11,589	12,316
Lease liabilities	1,978	2,225
Payables and accruals	3,534	3,747
Deferred income	2,174	2,282
Deferred tax liabilities	10,250	10,176
Total long term and deferred liabilities	29,525	30,746
Current liabilities		
Payables and accruals	32,902	34,675
Lease liabilities	1,236	1,498
Tax liabilities	89	176
Deferred income	431	431
Provisions	25,460	28,932
Borrowings	4,748	5,401
Total current liabilities	64,866	71,113
Total liabilities	94,391	101,859
TOTAL EQUITY AND LIABILITIES	408,364	428,198
Net assets per share attributable to owners of the Company (RM)	1.002	1.046

(The condensed unaudited consolidated statement of financial position should be read in conjunction with the Annual Report for the year ended 30 June 2024)

Condensed unaudited consolidated statement of changes in equity for the financial period ended 30 September 2024

	Attributable to owners of the Company							
	Share capital	Foreign currency translation reserve	Fair value adjustment reserve	Business combination deficit	Accumulated losses	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2024	643,671	6,559	(44,479)	(157,064)	(167,164)	281,523	44,816	326,339
Total comprehensive (expense)/income for the year	-	(12,011)	-	-	1,398	(10,613)	(3,238)	(13,851)
Effect of increase in interest in a subsidiary arising from subscribing in a rights issue of a subsidiary	-	-	-	-	(1,376)	(1,376)	2,861	1,485
At 30 September 2024	643,671	(5,452)	(44,479)	(157,064)	(167,142)	269,534	44,439	313,973

	Attributable to owners of the Company							
	Share capital	Foreign currency translation reserve	Fair value adjustment reserve	Business combination deficit	Accumulated losses	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2023	643,671	10,788	(44,479)	(157,064)	(171,665)	281,251	45,909	327,160
Total comprehensive (expense)/income for the year	-	(1,017)	-	-	1,326	309	352	661
At 30 September 2023	643,671	9,771	(44,479)	(157,064)	(170,339)	281,560	46,261	327,821

(The condensed unaudited consolidated statement of changes in equity should be read in conjunction with the Annual Report for the year ended 30 June 2024)

Condensed unaudited consolidated statement of cash flows for the financial period ended 30 September 2024

	Current period 30.9.2024 RM'000	Preceding year corresponding period 30.9.2023 RM'000
Cash flows from operating activities		
Profit before tax	1,882	2,030
Adjustments for:		
Amortisation of customer relationships	99	99
Amortisation of development costs	7	7
Amortisation of government grant	(108)	(108)
Bearer plants written off	-	428
Changes in fair value of other investments	(18)	562
Depreciation	2,562	2,554
Fair value changes on biological assets	(509)	8
Finance costs	250	511
Finance income	(510)	(321)
Provision for warranties (net)	9	9
Share of loss of associate	174	181
Unrealised foreign exchange loss/(gain)	2,283	(307)
Operating profit before working capital changes	6,121	5,653
Changes in working capital:		
Contract assets	16	906
Inventories	(1,168)	4,946
Payables and accruals	(1,023)	(4,082)
Receivables, deposits and prepayments	(2,899)	6,445
Cash generated from operations	1,047	13,868
Warranties paid	(12)	-
Taxation paid (net)	(1,145)	(860)
Net cash (used in)/generated from operating activities	(110)	13,008

Condensed unaudited consolidated statement of cash flows for the financial period ended 30 September 2024
(continued)

	Current period 30.9.2024 RM'000	Preceding year corresponding period 30.9.2023 RM'000
Cash flows from investing activities		
Exploration and evaluation expenditure incurred	(820)	(1,554)
Interest received	510	321
Purchase of property, plant and equipment	(1,130)	(2,631)
Net cash used in investing activities	(1,440)	(3,864)
Cash flows from financing activities		
Interest paid	(250)	(511)
Proceeds from rights issue of a subsidiary	1,485	-
Repayment of bank borrowings – net	(1,888)	(1,245)
Net cash used in financing activities	(653)	(1,756)
Net (decrease)/increase in cash and cash equivalents	(2,203)	7,387
Cash and cash equivalents at beginning of period	84,764	57,355
Effect of foreign exchange fluctuation on cash and cash equivalents	(1,046)	(937)
Cash and cash equivalents at end of period	81,515	63,805

	As at 30.9.2024 RM'000	As at 30.9.2023 RM'000
Cash and bank balances	43,915	28,549
Short term placement funds	29,693	28,998
Deposits with licensed banks	7,908	6,258
	81,516	63,805

(The condensed unaudited consolidated statement of cash flows should be read in conjunction with the Annual Report for the year ended 30 June 2024)

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

This interim financial report of Globaltec Formation Berhad ("GFB" or the "Company") and its subsidiaries ("Group") is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134, *Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") ("Listing Requirements").

A2. Material Accounting Policies

The material accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30 June 2024.

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

MFRS Accounting Standards, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, Interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – *Volume 11:*
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidated Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*

MFRS Accounting Standards, Interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, Interpretations and amendments effective for a date yet to be confirmed

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

The Group plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 July 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.
- from the annual period beginning on 1 July 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 July 2027 for the amendments that are effective for annual periods beginning on or after 1 January 2027.

The initial application of the abovementioned accounting standards and amendments is not expected to have any material financial impact to the current year and prior year financial statements of the Group.

A3. Qualified audit report

The preceding annual audited financial statements of the Group were reported on without any qualification.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

Saved as disclosed below, there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter.

The Energy segment through NuEnergy Gas Limited ("NuEnergy"), a subsidiary listed on the Australian Securities Exchange ("ASX"), completed its rights issue on 17 September 2024, raising A$6 million, with the Group, subscribing and underwriting A$5.28 million. As a result, the Group's effective equity interest in NuEnergy Gas Limited increased from 51.7% to 57.9% and a 'goodwill' element of RM1.4 million being deducted against the equity of the Group during the period.

A5. Seasonal and cyclical factors

There were no material seasonal or cyclical factors affecting the income and performance of the Group.

A6. Changes in estimates

There were no changes in the estimates of amounts which give a material effect for the financial period ended 30 September 2024.

A7. Dividends

The Company has on 19 November 2024, paid a dividend of 0.7 sen per share, totalling RM1.9 million, in respect of the previous financial year ended 30 June 2024.

The Board does not recommend any dividend for the financial period ended 30 September 2024.

A8. Material events subsequent to the period end

There were no material events subsequent to the financial period end.

A9. Changes in composition of the Group

There were no material changes in the Group structure for the financial period and up to the date of this report.

A10. Capital commitments

Contracted but not provided for capital commitments as at 30 September 2024 were as follows:

	RM'000
In respect of:	
- Property, plant and equipment	1,564
- Exploration and development	4,444
Total	6,008

A11. Contingent liabilities/assets

As at 30 September 2024, the Company had executed corporate guarantees in favour of licensed financial institutions of up to a limit of RM20.4 million (30 June 2024: RM20.7 million) for credit facilities granted to subsidiaries. Out of the total banking facilities secured by corporate guarantees by the Company, a total of RM2.2 million (30 June 2024: RM2.7 million) was outstanding at the period end.

A12. Debt and equity securities

There were no issuances, cancellations, share splits, repurchases and repayments of the Company's debt or equity securities for the financial period ended 30 September 2024.

A13. Segmental information

Analysis by business segments being the primary basis of the Group's segmental reporting for the financial period ended 30 September 2024 is as follows:

	Integrated manufacturin services RM'000	Energy RM'000	Resources RM'000	Investment holding RM'000	Consolidation adjustments RM'000	Consolidated RM'000
Segment revenue						
Revenue from external customers	41,772	-	2,227	-	-	43,999
Inter-segment revenue	-	-	-	400	(400)	-
Total revenue	41,772	-	2,227	400		43,999
Segment profit/(loss)	2,399	(1,007)	939	(976)	701	2,056
Share of loss of associate						(174)
Consolidated profit before tax						1,882
Segment assets	195,563	134,363	38,752	84,998	(90,998)	362,678
Investment in associate						19,902
Customer relationships						3,453
Goodwill on consolidation						22,181
Consolidated total assets						408,214

OTHER NOTES PURSUANT TO BURSA MALAYSIA'S MAIN MARKET LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A

B1. Review of performance

The Integrated Manufacturing Services ("IMS") segment comprises the following divisions:

i) precision machining, stamping and tooling ("PMST division"); and
ii) automotive components design and manufacturing ("Automotive division").

The Resources segment is principally involved in the harvesting and selling of fresh fruit bunches of oil palm ("FFB") whereas the Energy segment is principally involved in the exploration and production of unconventional gas i.e., coal bed methane ("CBM") but has not commenced commercial production yet. The associate is involved in the food and beverage retail industry.

	Quarter ended 30 September			
	Revenue		Net profit/(loss)	
Segment/Division	**2025 RM'000**	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
PMST	27,213	25,270	1,174	1,783
Automotive	14,559	22,310	366	660
IMS	41,772	47,580	1,540	2,443
Resources	2,227	2,036	687	(231)
Energy	-	-	(284)	(340)
Investment holding	-	-	(1,074)	(826)
Associate	-	-	(174)	(181)
Consolidation adjustments	-	-	703	461
Total	**43,999**	**49,616**	**1,398**	**1,326**

Comparing current quarter with preceding year corresponding quarter, the Group's revenue decreased by RM5.6 million due to a decline of RM7.8 million in Automotive division's revenue as a result of the 'end of life' for a certain car model and its customers facing stiff competition from influx of foreign car models and electric vehicles. This decrease was offset partially by an increase in revenue of RM1.9 million generated by the PMST division on the back of improving demand. In addition, Resources segment registered a marginal increase in revenue underpinned by higher FFB prices and higher FFB production.

Despite the decrease in revenue for the current quarter versus the preceding year corresponding quarter, the Group's net profit increased marginally from RM1.3 million to RM1.4 million. This was attributable mainly to the Resources segment recording a turnaround from a net loss of RM0.2 million to a net profit of RM0.7 million due to a fair value gain on biological assets of RM0.5 million for the current quarter whereas the preceding year corresponding quarter included bearer plants written off of RM0.4 million and fair value loss on biological assets of RM8,000. In addition, the Energy segment and associate's net loss narrowed marginally by a total amount of about RM63,000, as a result of better cost management. These improvements were offset partially by a decline of RM0.9 million, in the net profit generated by the IMS segment. Despite the higher revenue, the PMST division's net profit declined by RM0.6 million to RM1.2 million, due mainly to foreign exchange losses recorded in the current quarter versus foreign exchange gains registered in the preceding year corresponding quarter. The Automotive division's net profit fell by RM0.3 million to RM0.4 million in tandem with the decline in its revenue.

The Group's cash and cash equivalents decreased by RM3.3 million from RM84.8 million as at 30 June 2024 to RM81.5 million as at 30 September 2024, mainly as a result of PMST's factory floor expansion & purchase of plant and equipment, exploration expenditure, net repayment of borrowings and foreign exchange translation losses offset partially by funds received from minority shareholders subscribing to the Energy segment's rights issue, which was completed in September 2024. Comparing as at 30 September 2024 with as at 30 June 2024, the Group's net assets and net assets per share decreased due mainly to foreign exchange translation losses of RM12 million from the Group's foreign subsidiaries. The Group's gearing reduced to 0.07 times as at 30 September 2024, from 0.08 times as at 30 June 2024.

B2. Material changes from the preceding quarter

	Quarter ended			
	Revenue		Net profit/(loss)	
Segment/Division	**30 September 2024 RM'000**	**30 June 2024 RM'000**	**30 September 2024 RM'000**	**30 June 2024 RM'000**
PMST	27,213	26,601	1,174	2,937
Automotive	14,559	17,182	366	(254)
IMS	41,772	43,783	1,540	2,683
Resources	2,227	2,302	687	238
Energy	-	-	(284)	94
Investment holding	-	-	(1,074)	(575)
Associate	-	-	(174)	(570)
Consolidation adjustments	-	-	703	562
Total	**43,999**	**46,085**	**1,398**	**2,432**

Quarter on quarter, revenue of the Group decreased by RM2.1 million. This was due to a decrease of RM2.6 million in revenue from the Automotive division as a result of weak demand attributable to customers facing stiff competition from influx of foreign car models and electric vehicles. On the other hand, PMST division's revenue was marginally higher by RM0.6 million as the PMST division experienced periods of shutdown by its major customers in view of major festivities in the preceding quarter. Resources segment's revenue was fairly consistent quarter on quarter.

In tandem with the decrease in revenue, the Group's net profit for the current quarter declined by RM1 million from RM2.4 million in the previous quarter to RM1.4 million. This was largely due to a decrease of RM1.8 million in the net profit of the PMST division attributable mainly to higher foreign exchange losses due to the depreciating United States Dollar against RM, during the current quarter. The decrease was partially offset by improvement in the results from the Automotive division and the Resources segment. The Resources segment's net profit increased by RM0.5 million to RM0.7 million due to an increase of RM0.5 million in the fair value gain on biological assets.

B3. Prospects

For 2024, the Malaysia economy is projected to grow closer to the upper end of the range of 4.8% - 5.3%, with the growth envisaged to be broad-based. Geo-political tensions and conflicts continue to disrupt growth, demand and increase inflation risk. In addition, the conclusion of the United States of America's election may bring about uncertainties as well as sputtering growth of China may affect markets negatively. Cost-wise, the increase in energy costs arising from the electricity tariff adjustments, subsidy rationalisation and mandatory wage and wage-related adjustments further exacerbate costs of production. Nevertheless, the Malaysian economy remains supported by mainly strong domestic demand and expanding exports, driven by improving external demand, a global technology upcycle and higher tourist spending.

According to the Malaysian Automotive Association, the total industry volume for the automotive sector in the calendar year 2024 is expected to be around 800,000 units, reflecting a marginal increase compared to 2023's 799,731 units, amid concerns over further targeted subsidy rationalisation, the implementation of the proposed high value goods tax, rising living costs, and reduced discretionary spending on big-ticket items such as motor vehicles. Factors that would support sales in 2024 are improved supply chains and ongoing new model launches, including many new electrified vehicles, at affordable and competitive prices, which will entice and sustain buying interest among consumers, as well as accommodative car-purchase financing rate.

Taking cognisance of the above, the Group's businesses remain vigilant of its costs and sustainability to mitigate the impact of slower growth and demand. Furthermore, the Precision Stamping and Tooling division (a sub-division of the PMST division)'s third facility in Indonesia totalling 27,093 sq. ft has been completed in April 2024 and will gradually contribute positively to the revenue, profits and cash flows of the Group.

On 17 June 2021, the Energy segment achieved a major milestone as the Indonesian Ministry of Energy and Mineral Resources ("MEMR") has approved the Energy segment's first plan of development ("POD") for the Tanjung Enim production sharing contract ("PSC") under a gross split scheme (referred to as Tanjung Enim POD 1) in South Sumatra which will allow the PSC to proceed to field development and surface facility construction. The approval of the Tanjung Enim POD 1 also represents the first CBM POD in Indonesia. The Tanjung Enim POD 1 approval covers the development of 209 wells in two target areas, in the north and south of the contract area covering ~33km^2 (or 13% of the total acreage of the Tanjung Enim Gross Split PSC) where the Indonesia Research and Development Center for Oil and Gas Technology ("LEMIGAS") has confirmed and certified reserves totalling ~164.89 Bscf in these areas.

The Energy segment has signed a Heads of Agreement ("HOA") with PT Perusahaan Gas Negara Tbk ("PGN") on 27 June 2024 for the sale and purchase of coal bed methane. PGN which is listed on the Indonesia Stock Exchange, is a leading natural gas distribution and transportation player in Indonesia and is a subsidiary of PT Pertamina (Persero), Indonesia's state owned oil and gas company. This gas sale commencing at 1 million standard cubic feet per day ("mmscfd") represents the initial and gradual progress of gas production and this initial gas production is part of Energy segment's development phase that will increase to a total peak gas production of 25 mmscfd as approved under the Tanjung Enim POD 1.

The Energy segment through NuEnergy, completed its rights issue on 17 September 2024, raising A$6 million. With these funds, the Energy segment can propel forward with its early gas sales initiative.

B4. Financial Forecast and Profit Guarantee

Not applicable.

B5. Corporate proposals

There were no material corporate proposals undertaken by the Group that has been announced but not completed within 7 days from the date of issue of this report.

B6. Borrowings

The Group's borrowings as at 30 September 2024 were all secured. The borrowings denominated in foreign currency and RM as at 30 September 2024 were as follows:

	RM'000
Foreign Currency:	
- IDR97,849,182 @ IDR:RM of 3,676:1	27
RM	16,310
Total Group Borrowings	16,337

B7. Material litigation

There is no material litigation as at the date of this report.

B8. Taxation

The tax expense for the current quarter is as follows:

	Current quarter 30.9.2024 RM'000
Income tax expense	
Malaysia - current year	865
- over provision in prior year	(104)
Overseas - current	210
	971
Deferred tax expense	
Malaysia - current year	56
- under provision in prior year	101
Overseas - current year	-
Total tax expense	1,128

The effective tax rate of the Group for the current quarter is higher than the statutory tax rate due mainly to losses incurred by the Energy and Investment holding segments.

B9. Earnings per share

Basic earnings per share

The basic earnings per share of the Group for the current quarter was computed as follows:

	Current quarter
Profit attributable to owners of the Company (RM'000)	1,398
Weighted average number of ordinary shares ('000)	269,120
Basic earnings per share (sen)	0.519

Diluted earnings per share
Diluted earnings per share for the current quarter is not applicable as there are no dilutive instruments as at the period end.

B10. Exploration and development expenditure/activities

The exploration assets/expenditure incurred during the year as follows:

	RM'000
Carrying amount	
At 1 July 2024	131,033
Effect of movements in exchange rates	(15,920)
Additions	820
At 30 September 2024	115,933

Tanjung Enim PSC

The Energy segment has submitted an application for gas allocation and price determination to the Special Task Force for Upstream Oil and Gas Business Activities ("SKK Migas") on 8 July 2024 with PGN as the gas buyer and is currently awaiting the approval of the authorities. Concurrently with the processing of gas allocation and price determination applications, the Energy segment is working with PGN on the detailed terms of the Gas Sale & Purchase Agreement. The Energy segment has identified locations for four early gas wells, a production facility and the subsequent flow lines for the early generation of gas at Tanjung Enim's contract area. The Energy segment will complete the acquisition of the identified sites and carry out land clearing and drilling site preparation activities on these identified locations in due course. During the current quarter, the Energy segment initiated the procurement process for long lead items in regard to the drilling and production activities.

Muralim PSC

The Energy segment continues to undertake the dewatering process to determine its gas production data. The Energy segment has in the previous financial year, been granted an additional exploration period of 19 months to 29 March 2025 from MEMR. The extension will enable the Energy segment to complete the exploration commitments and acquire necessary production data, which will then facilitate the submission of a POD proposal, for the Muralim PSC, the final step required before entering the development phase for the asset.

Muara Enim PSC

The Energy segment received the approval from MEMR on 28 February 2024 through SKK Migas for an additional exploration period until 17 September 2025. The extension will allow the Energy segment to carry out activities to determine the gas productivity of the PSC and to submit a POD. The Energy segment is currently preparing for the environmental permit application for Muara Enim 003A Well. A site visit was conducted by the appointed environmental consultant from 15 to 18 July 2024, to take samples and engage with the local communities. On 7 September 2024, a report and proposal was submitted to the Ministry of Environment and Forestry and the Energy segment is currently awaiting review by the said Ministry.

On 22 May 2023 the Directorate General of Oil & Gas from MEMR announced a new simplified gross revenue split proposal of 95% to contractor and 5% to the Indonesian Government for the unconventional gas industry, to enhance project profitability, flexibility and technological innovation for unconventional gas industry players. This represents an improvement of about 9% in the split for the contractor, on the previous framework. This new improved gross revenue split was finalised and approved by Minister of Energy, Resources and Minerals of Indonesia on 7 August 2024. [In view of the finalisation of the new scheme, the Energy segment will follow up closely on its application for the conversion of its current cost-recovery based PSC to a gross split based PSC, which was submitted on 2 August 2023.

Muara Enim II

The Energy segment is currently preparing for the drilling program and the environmental permit application. The Energy segment will drill core-holes to achieve the objective of fulfilling the firm exploration commitments by 29 January 2025. The Energy segment submitted a letter requesting an extension of the exploration period on 26 September 2024. This extension is under review by SKK Migas.

B11. Notes to the statement of profit or loss and other comprehensive income

Other than interest income and finance costs, included in the statement of profit or loss and other comprehensive income are the following credits/(charges):

	Current quarter 30.9.2024 RM'000	Preceding year corresponding quarter 30.9.2023 RM'000	Current period 30.9.2024 RM'000	Preceding year corresponding period 30.9.2023 RM'000
Amortisation of customer relationships	(99)	(99)	(99)	(99)
Amortisation of development costs	(7)	(7)	(7)	(7)
Amortisation of government grant	108	108	108	108
Bearer plants written off	-	(428)	-	(428)
Changes in fair value of other investments	18	(562)	18	(562)
Depreciation	(2,562)	(2,554)	(2,562)	(2,554)
Fair value changes on biological assets	509	(8)	509	(8)
Foreign exchange (loss)/gain	(2,685)	543	(2,685)	543
Provision for warranties (net)	(9)	(9)	(9)	(9)