

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	Individual Quarter		Cumulative Year	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	1 Apr 2024 to 30 Jun 2024	1 Oct 2022 to 30 Dec 2022	1 Jan 2023 to 30 Jun 2024	1 Jan 2022 to 31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	2,390	n/a	25,373	n/a
Cost of sales and services	(2,998)	n/a	(23,358)	n/a
<b>Gross profit</b>	(608)	-	2,015	-
Other operating income	(347)	n/a	14,013	n/a
Administration and other operating expenses	(30,300)	n/a	(45,080)	n/a
Depreciation	(364)	n/a	(2,326)	n/a
Finance costs	(120)	n/a	(809)	n/a
<b>(Loss)/profit before taxation</b>	(31,739)	-	(32,187)	-
Income tax expense	-	n/a	-	n/a
<b>(Loss)/profit after tax for the period</b>	(31,739)	-	(32,187)	-
<b>Other comprehensive income</b>	-	n/a	-	n/a
<b>Total other comprehensive income</b>	-	-	-	-
<b>Total comprehensive (loss)/profit for the period</b>	<b>(31,739)</b>	-	<b>(32,187)</b>	-
<b>Total comprehensive loss attributable to:</b>				
Equity holders of the parent	(31,843)	n/a	(32,291)	n/a
Non-controlling Interest	104	n/a	104	n/a
	<b>(31,739)</b>	-	<b>(32,187)</b>	-
Weighted average no. of ordinary shares in issue ('000) (Note 1)	296,703		296,703	
Loss per share attributable to Owners of the Company				
- Basic (sen)	(10.73)	-	(10.88)	-
Loss per share - Diluted (sen)	(10.73)	-	(10.88)	-

**Notes:**

- Basic/ Diluted earnings per share for the quarter and financial period are calculated based on the net profit divided by the weighted average number of ordinary shares for the quarter.
- The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the financial statements for the financial period ended 31 December 2022 and the accompanying notes attached to this quarterly financial report.
- There are no comparative figures for the quarter ended 30 June 2024. Due to the change in financial year end from 31 December to 30 June, the Unaudited Condensed Consolidated Statement of comprehensive income for the current quarter ended 30 June 2024, being the sixth quarter of the financial year ending 30 June 2024, is not comparable with the sixth quarter of the previous financial period ended 31 December 2022.

**HANDAL ENERGY BERHAD**  
(Company Registration No. 200801015549 (816839-X))

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	Unaudited As at 30 June 2024 RM'000	Audited As at 31 December 2022 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	37,038	27,724
Right of Use Assets	209	216
Investment in joint ventures	4,500	-
Intangible assets (Note 1)	18,809	35,257
	<u>60,556</u>	<u>63,197</u>
<b>Current Assets</b>		
Inventories	7,745	7,380
Trade receivables	14,073	2,902
Other receivables	14,716	2,957
Contract cost assets	625	2,455
Tax recoverable	468	565
Fixed deposits with licensed banks	1,503	11,035
Cash in hand and at bank	1,220	364
	<u>40,350</u>	<u>27,658</u>
<b>Total Assets</b>	<b>100,906</b>	<b>90,855</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	39,080	104,435
Irredeemable Convertible Preference Shares	-	9,408
Employees share options scheme ("ESOS") reserve	602	602
Treasury shares	(72)	(72)
Accumulated losses	(19,787)	(77,496)
Equity attributable to owners of the Company	19,823	36,877
Non-controlling interests	8,150	(2,921)
<b>Total equity</b>	<u>27,973</u>	<u>33,956</u>
<b>Non-current liabilities</b>		
Lease liabilities	-	494
Deferred taxation	458	395
	<u>458</u>	<u>889</u>
<b>Current Liabilities</b>		
Trade payables	7,009	25,086
Other payables	40,640	18,892
Lease liabilities	1,409	630
Short term borrowings	13,946	11,039
Amount owing to a Director	9,325	108
Contract liabilities	-	-
Current tax liabilities	146	255
	<u>72,475</u>	<u>56,010</u>
<b>Total liabilities</b>	<u>72,933</u>	<u>56,899</u>
<b>Total equity and liabilities</b>	<b>100,906</b>	<b>90,855</b>
Net Assets Per Share attributable to Owners of the Company (RM)	0.07	0.16

**Note:**

- Intangible assets include: (i) Intellectual property, and (ii) Goodwill arising from surplus of purchase consideration from acquisition of subsidiaries over the fair value of the net assets of the said subsidiaries.

*The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial period ended 31 December 2022 and the accompanying notes attached to this quarterly financial report.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

For 18 months ended 30 June 2024	Attributable to equity holders of the Company								
	Non-distributable				Distributable			Non-controlling Interest	Total Equity
	Share Capital	Convertible Preference Shares	Treasury Shares	ESOS Reserve	Accumulated Losses	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Balance as at 1 January 2023</b>	104,435	9,408	(72)	602	(77,496)	36,877	(2,921)	33,956	
Disposal of interest in subsidiaries	0	0	0	0	0	0	2,921	2,921	
Acquisition of a subsidiary	0	0	0	0	0	0	8,045	8,045	
Issurance during the year	9,059	0	0	0	0	9,059	0	9,059	
Conversion of ICPS	9,408	(9,408)	0	0	0	0	0	0	
Share capital reduction	(90,000)	0	0	0	90,000	0	0	0	
Exercise of ESOS option	6,179	0	0	0	0	6,179	0	6,179	
Total comprehensive profit for the year	0	0	0	0	(32,291)	(32,291)	104	(32,187)	
<b>Balance as at 30 June 2024</b>	<b>39,081</b>	<b>0</b>	<b>(72)</b>	<b>602</b>	<b>(19,787)</b>	<b>19,824</b>	<b>8,149</b>	<b>27,973</b>	

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial period ended 31 December 2022 and the accompanying notes attached to this quarterly financial report.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	Current Year Quarter 1 Jan 2023 to 30 Jun 2024 RM'000	Preceding Year Corresponding Quarter 1 Jan 2022 to 31 Dec 2022 RM'000
<b>Cash flows from operating activities</b>		
Profit/(Loss) before taxation	(32,187)	n/a
Adjustments for:		
Depreciation of property, plant and equipment	2,110	n/a
Depreciation of right-of-use assets	214	n/a
Impairment of goodwill	21,000	n/a
Expected credit loss	2,593	
Inventories written off	1,426	n/a
Interest income	(62)	n/a
Interest expense	799	n/a
(Gain)/Loss on disposal of subsidiary company	(13,929)	n/a
(Gain)/Loss on disposal of PPE	(636)	n/a
Operating loss before changes in working capital	(18,672)	n/a
Changes in working capital:		
Inventories	276	n/a
Trade and other receivables	(3,056)	n/a
Contract cost assets	601	n/a
Trade and other payables	17,816	n/a
	(3,035)	-
Net cash generated from operations		
Interest received	62	n/a
Interest paid	(799)	n/a
Tax paid	(137)	n/a
Net cash (used in)/generated from operating activities	(3,909)	n/a
<b>Cash flows from investing activities</b>		
Disposal of subsidiaries, net of cash disposed	(3,481)	n/a
Proceed from disposal of PPE	3,112	n/a
Net cash outflow in investment in a subsidiary	(12,263)	
Investment in joint ventures	(4,500)	
Uplift of fixed deposit	9,532	n/a
Net cash (used in)/ generated from investing activities	(7,600)	n/a

*The Unaudited Condensed Consolidated Statement of Cash flow should be read in conjunction with the audited financial statements for the financial period ended 31 December 2022 and the accompanying notes attached to this quarterly financial report.*

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	Current Year Quarter	Preceding Year Corresponding Quarter
	1 Jan 2023 to 30 Jun 2024	1 Jan 2022 to 31 Dec 2022
	RM'000	RM'000
<b>Cash flows from financing activities</b>		
Drawdown from/(Repayment of) trade financing	(190)	n/a
Issuance of share capital	15,238	
Repayment of lease liabilities and borrowings	(955)	n/a
Net cash generated from financing activities	14,093	-
Net increase in cash and cash equivalents	2,584	n/a
Effect of exchange rate differences	-	-
Changes in cash and cash equivalents classified as held for sale	-	-
Cash and cash equivalents at the beginning of the financial year/period	(9,810)	n/a
Cash and cash equivalents at the end of the financial year/period	(7,226)	-
Cash and cash equivalents at the end of the financial year/period comprises:		
Cash and bank balances	1,220	n/a
Fixed deposits	1,503	n/a
Bank overdrafts	(8,447)	n/a
	(5,723)	-
<b>Less: Fixed deposits pledged with licensed banks</b>	(1,503)	n/a
	(7,226)	-

*The Unaudited Condensed Consolidated Statement of Cash flow should be read in conjunction with the audited financial statements for the financial period ended 31 December 2022 and the accompanying notes attached to this quarterly financial report.*



**HANDAL ENERGY BERHAD**

**(Company Registration No. 200801015549 (816839-X))**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIFTH QUARTER ENDED**

**30 JUNE 2024**

**THE INTERIM FINANCIAL REPORT**

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1. Basis of Preparation**

The final financial report has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.22 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The final financial report should be read in conjunction with the audited financial statements of the Group for the financial period ended 31 December 2022. The explanatory notes attached to the final financial report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial period ended 31 December 2022. The financial statements of the Group, which comprise the statement of financial position of the Group as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the financial period ended 30 June 2024 have not been audited.

**A2. Application of New and Amendments to MFRSs**

The significant accounting policies applied are consistent with those adopted for the audited financial statements for the financial period ended 31 December 2022 except for the adoption of the following amendments to published standards:

(a) Amendments to published standards and annual improvements that are effective for the Group’s financial year beginning on or after 1 January 2023 and applicable to the Group are as follows:

- Amendments to MFRS 3, “Business Combinations” (Reference to the Conceptual Framework)
- Amendments to MFRS 116, “Property, Plant and Equipment” (Proceeds before Intended Use)
- Amendments to MFRS 137, “Provision, Contingent Liabilities and Contingent Assets” (Onerous Contracts - Cost of Fulfilling a Contract)
- Annual Improvement to MFRS Standards 2018 - 2020:
  - Amendment to MFRS 1, “First-time Adoption of Malaysian Financial Reporting Standards”
  - Amendment to MFRS 9, “Financial Instruments”
  - Amendment to Illustrative Examples accompanying MFRS 16, “Leases”
  - Amendment to MFRS 141, “Agriculture”

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)****A2. Application of New and Amendments to MFRSs (Continued)**

- MFRS 17, “Insurance Contracts”
- Amendments to MFRS 17, “Insurance Contracts” (Initial application of MFRS 17 and MFRS 9 - Comparative Information)
- Amendments to MFRS 101, “Presentation of Financial Statements” (Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 101, “Presentation of Financial Statements” (Disclosure of Accounting Policies)
- Amendments to MFRS 108, “Accounting Policies, Changes in Accounting Estimates and Errors” (Definition of Accounting Estimates)
- Amendments to MFRS 112, “Income Taxes” (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

The adoption of the above amendments to published standards and annual improvements did not result in any significant change to the accounting policies and did not have a material impact on the interim financial report of the Group.

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)****A3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the preceding audited financial statements of the Group and the Company for the financial period ended 31 December 2022 was unmodified.

**A4. Items of Unusual Nature**

There were no items affecting the assets, liabilities, equity, net income or cash flow of the Group that are unusual because of their nature, size or incidence for the financial quarter under review.

**A5. Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current financial quarter.

**A6. Changes in Debt and Equity Securities**

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter other than disclosed in Note B7.

**A7. Dividend Paid and Distributed**

There were no dividends paid in the current financial period.

**A8. Segmental Information**

The Group is organized into the following operating segments: -

- (i) Investment Holding  
Investment holding activities in subsidiaries, joint venture and other investments.
- (ii) Integrated Maintenance, Repair and Overhaul services  
Provision of crane rental, maintenance overhaul and repair along with turbo machinery maintenance, repair, and overhaul.



**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)**
**A8. Segmental Information (Continued)**

- (iii) Inspection, maintenance and repair pipeline and structures  
Provision of fabrication, maintenance and engineering services for risers, pig traps and pipeline isolations, etc.
- (iv) Others  
Crane manufacturing, mining, digital business, project management consultancy services in well services and pre-operating entities.

For 3 Months Period ended 30 June 2024	Investment holding	Integrated Maintenance , Repair and Overhaul	Others	Consolidated adjustment	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
Revenue from external	0	1,707	683	0	2,390
Inter-segment	0	0	0	0	0
<b>Total revenue</b>	<b>0</b>	<b>1,707</b>	<b>683</b>	<b>0</b>	<b>2,390</b>
<b>Results</b>					
Gross Profit	0	(641)	33	0	(608)
GP Margin	0%	-38%	0%	0%	-25%
Other operating income	1	(383)	35	0	(347)
Administrative and Other operation expenses	(4,167)	(26,040)	(93)	0	(30,300)
Depreciation	(46)	(269)	(49)	0	(364)
Finance cost	0	(120)	0	0	(120)
<b>Profit/(Loss) before tax</b>	<b>(4,212)</b>	<b>(27,453)</b>	<b>(74)</b>	<b>0</b>	<b>(31,739)</b>
Taxation	0	0	0	0	0
<b>Profit/(Loss) after tax</b>	<b>(4,212)</b>	<b>(27,453)</b>	<b>(74)</b>	<b>-</b>	<b>(31,739)</b>
<b>Assets</b>					
Segment assets	<b>47,001</b>	<b>129,415</b>	<b>9,539</b>	<b>(85,049)</b>	<b>100,906</b>
<b>Liabilities</b>					
Segment liabilities	<b>25,388</b>	<b>113,398</b>	<b>17,067</b>	<b>(82,920)</b>	<b>72,933</b>

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)**
**A8. Segmental Information (Continued)**

Financial period ended 30 June 2024	Investment holding	Integrated Maintenance , Repair and Overhaul	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
Revenue from external	0	24,690	999	(316)	25,373
Inter-segment	0	0	0	0	0
<b>Total revenue</b>	<b>0</b>	<b>24,690</b>	<b>999</b>	<b>(316)</b>	<b>25,373</b>
<b>Results</b>					
Gross Profit	0	2,005	29	(19)	2,015
GP Margin	0%	8%	0%		8%
Other operating income	1,007	984	35	11,987	14,013
Administrative and Other operation expenses	(6,145)	(38,787)	(101)	(47)	(45,080)
Depreciation	(294)	(1,860)	(172)		(2,326)
Finance cost		(806)	(3)		(809)
<b>Profit/(Loss) before tax</b>	<b>(5,432)</b>	<b>(38,464)</b>	<b>(212)</b>	<b>11,921</b>	<b>(32,187)</b>
Taxation	0	0	0	0	0
<b>Profit/(Loss) after tax</b>	<b>(5,432)</b>	<b>(38,464)</b>	<b>(212)</b>	<b>11,921</b>	<b>(32,187)</b>
<b>Assets</b>					
Segment assets	<b>47,001</b>	<b>129,415</b>	<b>9,539</b>	<b>(85,049)</b>	100,906
<b>Liabilities</b>					
Segment liabilities	<b>25,388</b>	<b>113,398</b>	<b>17,067</b>	<b>(82,920)</b>	72,933

**A9. Valuation of property, plant and equipment**

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

**A10. Capital Commitments**

There were no material capital commitments in current financial quarter.



**HANDAL ENERGY BERHAD**

**(Company Registration No. 200801015549 (816839-X))**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIFTH QUARTER ENDED**

**30 JUNE 2024**

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)**

**A11. Material events subsequent to the end of financial period reported**

The were no significant events subsequent to the date of the statement of financial position.

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

The Company had on 3 March 2023 entered into a share sale agreement with Rekausaha Engineering Sdn. Bhd. (formerly known as Handal Engineering Sdn. Bhd.) for the disposal of 61% equity interest in Borneo Seaoffshore Engineering Sdn. Bhd. ("BSOE"), comprising of 1,195,600 ordinary shares for a total cash consideration of RM6.10.

Following the completion of the disposal, the total equity interest of the Company in BSOE decreased from 80% to 19%, BSOE ceased to be a subsidiary of the Company.

The Company had on 14 July 2023 entered into a share sale agreement with Handal Energy Borneo Sdn. Bhd. (formerly known as Samturaga East Sdn. Bhd.) for the disposal of 529,200 ordinary shares representing 49% equity interest in Handal Borneo Resources Sdn Bhd (formerly known as Orissa Wicomm Borneo Sdn Bhd) to Handal Energy Borneo for a total consideration of RM529,200.

Upon completion of the disposal of Handal Borneo Resources Sdn Bhd, Handal will no longer have any interest in Handal Borneo Resources.

Besides that, the Company had also entered into a share sale agreement on 18 July 2023, with Eastpartners Capital Sdn Bhd for the disposal of 1,738,000 ordinary shares representing 100% equity interest in Handal Digital Sdn Bhd to Eastpartners for a total cash consideration of RM693,000 to be settled entirely in cash.

Following the completion of the disposal of Handal Digital Sdn Bhd, Handal will no longer have any interest in Handal Digital Sdn Bhd.

In current quarter 2024, the company incorporated five 100% owned subsidiaries.

On 11 June 2024, the company entered into a Share Sale and Purchase Agreement ("SSA") with Datin Tee Bee Geok ("Datin Tee") and KSP Vista Sdn. Bhd. ("KSP") (collectively, the "Vendors") in relation to the proposed acquisition of 30% issued share capital of Tenzin Heavy Machinery (M) Sdn Bhd. ("Tenzin") for a total cash consideration of RM8,000,000.00.



HANDAL ENERGY BERHAD

(Company Registration No. 200801015549 (816839-X))

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIFTH QUARTER ENDED

30 JUNE 2024

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)**

**A13. Contingent liabilities or contingent assets**

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

**A14. Significant Related Party Transactions**

Handal IMRO Sdn Bhd entered into a management service agreement with Seaoffshore Shared Sdn Bhd during the financial year. The sum of RM 9,584,586.70 owing to Seaoffshore Shated Sdn Bhd as at 30 June 2024 being the payment on behalf of Handal IMRO Sdn Bhd and service fees.

The related party transactions were carried out on the same terms and conditions as transactions with unrelated parties.

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)****A15. Material Litigation**

As at the LPD, save as disclosed below, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceedings, pending or threatened against the Group, or of any facts likely to give rise to any proceedings which may materially affect the business or financial position of the Group.

(a) Lembaga Kumpulan Wang Simpanan Pekerja (“**Plaintiff**” or **KWSP**) against:

- (i) Handal iMRO (“**First Defendant**”);
- (ii) Tengku Baderul Zaman Ibni Sultan Mahmud (“**Second Defendant**”);
- (iii) Sunildeep Singh Dhaliwal (“**Third Defendant**”);
- (iv) Tengku Munawir Islahuddin Bin Tengku Noone Aziz (“**Fourth Defendant**”);
- (v) Terry Busing (“**Fifth Defendant**”); and
- (vi) Mallek Rizal Bin Mohsin (“**Sixth Defendant**”).

(Collectively referred to as the “**Defendants**”)

High Court of Terengganu Civil Suit No. TA-22NCVC-6-04/2023

The Plaintiff has, vide the High Court of Terengganu, filed a writ of summons dated 5 April 2023 (“**Writ**”) and a statement of claim dated 5 April 2023 (“**Statement of Claim**”) against the Defendants claiming for:

- (i) the First Defendant, Second Defendant, Third Defendant and Fourth Defendant pay the Plaintiff the arrears of their employees’ employees provident fund (“**EPF**”) contributions for the period from January 2022 to June 2022 and August 2022 to January 2023, amounting to RM2,473,425.00;
- (ii) the Fifth Defendant pays the plaintiff the arrears of their employees’ EPF contributions for the period from January 2022 to June 2022 and August 2022, amounting to RM1,582,972.00;
- (iii) the Sixth Defendant pays the Plaintiff the arrears of their employees’ EPF contributions for the period from January 2022 to June 2022, amounting to RM1,388,105.00;
- (iv) the dividends on the EPF contributions at the rate of 5.35% per annum calculated from 1 February 2022 to 31 December 2022, and subsequent dividends at the rate to be declared by the EPF board for each subsequent year until the date of the full year until the date of full settlement;
- (v) late payment charges on the EPF contributions at the rate of 6.35% per annum calculated from 16 January 2022 to 31 December 2022, and the subsequent late payment charges at the rate to be declared by the EPF board for each subsequent year until the date of full settlement;

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)****A15. Material Litigation (continued)**

- (vi) costs; and
- (vii) any other relief or continuation as deemed appropriate by the High Court of Terengganu.

The High Court of Terengganu has, on 22 May 2023, entered a final judgement against the First Defendant, Second Defendant and Third Defendant for default of appearance to the Writ. As for the Fourth Defendant, Fifth Defendant and Sixth Defendant, a consensus was reached to enter a consent judgement for the sum of RM2,473,425.00 to be paid in 36 instalments beginning on 30 September 2023. According to the Defendants' Solicitors, the maximum exposure to liability for this suit will be RM2,473,425.00 and cost of RM3,500.00 (excluding dividend and late payment charges). As at LPD, a fair order was sealed on 5 September 2023 by the High Court of Terengganu.

- (b) Lembaga Kumpulan Wang Simpanan Pekerja ("**Plaintiff**" or "**KWSP**") against:

- (i) Handal iMRO ("**First Defendant**");
- (ii) Tengku Baderul Zaman Ibni Sultan Mahmud ("**Second Defendant**");
- (iii) Sunildeep Singh Dhaliwal ("**Third Defendant**"); and
- (iv) Tengku Munawir Islahuddin Bin Tengku Noone Aziz ("**Fourth Defendant**").

(Collectively referred to as the "**Defendants**")

***Sessions Court of Kemaman Civil Suit No. TB-B52NCVC-10-08/2023***

The Plaintiff has, vide the Sessions Court of Kemaman, filed a writ of summons dated 27 August 2023 ("**Writ**") and a statement of claim dated 27 August 2023 ("**Statement of Claim**") against the Defendants claiming for;

- (i) the First Defendant, Second Defendant, Third Defendant and Fourth Defendant, collectively or individually, pay the Plaintiff the arrears of their employees EPF contributions for the period from February 2023 to May 2023, amounting to RM651,056.00;
- (ii) the dividends on the EPF contributions at the rate to be declared by the EPF board for each subsequent year until the date of the full settlement;
- (iii) late payment charges on the EPF contributions at the rate to be declared by the EPF board for each subsequent year until the date of full settlement;
- (iv) costs; and
- (v) any other relief or continuation as deemed appropriate by the Sessions Court of Kemaman.



HANDAL ENERGY BERHAD

(Company Registration No. 200801015549 (816839-X))

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIFTH QUARTER ENDED

30 JUNE 2024

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A15. Material Litigation (continued)

The Sessions Court of Kemaman has on 2 October 2023 allowed the Defendants and Plaintiff to negotiate the terms of the consent judgement. The Sessions Court of Kemaman then fixed 2 November 2023 as the date for the case management. On 2 November 2023, the Sessions Court of Kemaman gave directions for the Defendants to file the statement of defence and to finalise the negotiation for the consent judgement by 16 November 2023 and the Sessions Court of Kemaman has set 16 November 2023 as the next case management date. The Defendant's Solicitors have on 2 November 2023 sent a draft proposal for the consent judgement to the Plaintiff's Solicitors. According to the Defendants' Solicitors, the maximum exposure to liability for this suit will be RM651,056.00 excluding cost, dividend, and late payment charges.

- (c) Seaoffshore Shared Sdn Bhd ("**Plaintiff**" or "**SSSB**") against Handal Energy Berhad ("**Handal**" or "**the Company**")

The particulars of the claim under the Writ of Summons and Statement of Claim, including the amount claimed for and the interest rate.

As stated in the Writ of Summons and Statement of Claim, the Plaintiff's claims are as follows:

- (i) The sum of RM9,584,586.70 being the outstanding sum as at 30.06.2024;
- (ii) The sum of RM170,368.83 being the outstanding sum pursuant to the invoice issued in July 2024
- (iii) Interest at the rate of 5% per annum on the damages awarded pursuant to prayer (a) and/or (b) above from the date of judgment until full and final realisation;
- (iv) Costs; and
- (v) Such further and/or other relief which this Honourable Court deems fit and just to grant.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS BY BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of Performance**

As stated in Note 3, due to change in financial year end, the Group's performance for the 3-month period ended 31 March 2024 is not comparable against any comparative period previously reported.

**(a) Current Quarter (Q6 FY2024) vs Preceding Quarter (Q6 FY2022)**

The Group recorded a revenue of RM2.39 million in the current financial quarter. Revenue was contributed mainly from overhaul maintenance, parts trading, pipeline maintenance and engineering services maintenance for gas turbine.

	Individual Period		Variance	
	Current Quarter	Preceding Quarter		
	30 June 2024	30 June 2023		
	RM' 000	RM' 000	RM' 000	%
Revenue	2,390	-	2,390	100
Gross Profit	(608)	-	(608)	100
Loss Before Interest and Tax	(31,859)	-	(31,859)	100
Loss Before Tax	(31,739)	-	(31,739)	100
Loss After Tax	(31,739)	-	(31,739)	100



**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS BY BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

**B1. Review of Performance (Continued)**

Administrative and operating expenses for the current financial quarter amounted to RM5.28 million.

The Group recorded a loss after tax of RM7.167 million for the current financial quarter.

**Review of performance by segments**

(i) Integrated Maintenance, Repair and Overhaul.

The recorded revenue for this business segment was RM1.332 million mainly from overhaul crane. The gross loss recorded for the current financial quarter is RM0.6 million.

(ii) Investment holding and other businesses.

There is no revenue reported for other business segment in this quarter.

**(b) Current Period (Q6 FY2024) vs Preceding Period (Q6 FY2022)**

	Cumulative Period		Variance	
	Current Year to Date	Preceding Year period ended		
	30 June 2024	30 June 2023		
	RM' 000	RM' 000	RM' 000	%
Revenue	25,373	-	25,373	100
Gross Profit	2,015	-	2,015	100
Profit Before Interest and Tax	(31,378)	-	(31,378)	100
Loss Before Tax	(32,187)	-	(32,187)	100
Loss After Tax	(32,187)	-	(32,187)	100

The Group recorded a revenue of RM25.373 million in the current financial period ended 30 June 2024. Revenue was contributed mainly from overhaul maintenance, parts trading, pipeline maintenance and engineering services maintenance for gas turbine.

The group recorded a loss after tax of RM32.187 million for the period ended and included in the profit after tax of the group is the gain on disposal of subsidiary amounting to RM13.929 million and reversal of impairment.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS BY BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**
**B2. The Quarterly Results Compared to The Results of The Preceding Quarter**

	Individual Quarter		Variance	
	Current Quarter Ended	Immediate Preceding Quarter Ended		
	30 June 2024	31 March 2024		
	RM' 000	RM' 000	RM' 000	%
Revenue	2,390	743	1,647	222
Gross Profit	(608)	(102)	(506)	496
(Loss)/profit Before Interest and Tax	(31,859)	(3,801)	(28,058)	738
(Loss)/profit Before Tax	(31,739)	(3,644)	(28,095)	771
(Loss)/profit After Tax	(31,739)	(3,644)	(28,095)	771

The Group recorded a loss after tax of RM31.739 million in the current financial quarter as compared to a loss after tax of RM3.644 million registered in the preceding financial quarter. The Group's revenue for the reporting financial quarter was RM2.390 million, an increase of RM1.647 million as compared to revenue of RM0.743 million recorded in the preceding financial quarter mainly due to the revenue generated from the engineering services maintenance for gas turbine.

**B3. Prospects**

Looking ahead, Handal Energy Berhad ("the company") remains optimistic about its prospects for Year 2025. The company is strategically focused on strengthening its core business and resuming key services that were temporarily suspended during the COVID-19 pandemic.

Handal IMRO Sdn Bhd continues to provide essential maintenance services for various industrial sectors, ensuring the operational efficiency and reliability of machinery and equipment. The company is actively working to expand Handal IMRO's market share and secure new contracts. Additionally, the company is taking decisive steps to reactivate crucial services such as offshore crane rental, service, and maintenance, which were significantly impacted during the pandemic period. This resumption of core activities is expected to bolster the company's revenue streams and market position.

The company's recent acquisition of a 30% stake in Tenzin Heavy Machinery (M) Sdn Bhd further diversifies its portfolio. This strategic move allows Handal to tap into the heavy machinery and equipment supply market, potentially including construction and industrial machinery. The acquisition is driven by a combination of strategic, operational, and financial motivations aimed at enhancing the company's market position, operational efficiency, and long-term growth prospects.

By focusing on its core competencies and strategically expanding its service offerings, Handal Energy Berhad is positioning itself for sustained growth and improved performance in the coming year. The company's efforts to revitalize its offshore services, coupled with its diversification strategy, are expected to create new opportunities and strengthen its market presence in 2025.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS BY BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)****B4. Profit Forecast and profit guarantee**

Not applicable.

**B5. Corporate Proposals**

On 15 September 2023, on behalf of the Board of Directors of Handal ("Board"), Mercury Securities Sdn Bhd ("Mercury Securities") announced that the Company proposes to undertake the following Proposals.

(i) Proposed Share Capital Reduction;

(ii) Proposed Private Placement; and

(iii) Proposed Bonus Issue of Warrants.

On 28 December 2023, private placement of 28,650,000 units new ordinary shares issued at RM0.0941, private placement of 40,800,000 units new ordinary shares issued at RM0.0860 and 37,121,400 units new ordinary shares issued at RM0.0769 on 16 January 2024 and 2 February 2024 respectively in Handal representing up to 40% of the total number of issued shares.

Bonus Issue of Up To 186,500,009 Warrants ("Warrants") On The Basis Of One Warrant For Two Existing Ordinary Shares In Handal Energy Berhad Held By The Entitled Shareholders As At 5.00 P.M. On 16 April 2024 ("Entitlement Date") ("Bonus Issue Of Warrants").

Mercury Securities announced that the sealed order of the High Court of Malaya confirming the Proposed Share Capital Reduction has been lodged with the Registrar of Companies on 29 April 2024. Pursuant thereto, the Proposed Share Capital Reduction shall therefore take effect and be deemed completed on 29 April 2024.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS BY BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

**B6. Taxation**

	Current Period Quarter 1 Apr 2023 to 30 Jun 2024 RM'000	Preceding Year Corresponding Quarter 1 Oct 2022 to 31 Dec 2022 RM'000	Current Period To Date 1 Jan 2023 to 30 Jun 2024 RM'000	Preceding Year Corresponding Period 1 Jan 2022 to 31 Dec 2022 RM'000
Deferred tax	-	-	-	-
Current tax	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group effective tax rate is lower than the statutory tax rate of 24% due to non-taxable income (gain on disposal of subsidiary) during the financial period and availability of unutilised tax losses of certain subsidiaries.

**B7. Borrowings and Debt Securities**

	As at 30 June 2024 RM'000	As at 31 December 2022 RM'000
<b>Short term borrowings- Secured</b>		
Bank overdrafts	8,447	10,174
Trade financing	843	865
Term loan	4,656	0
Lease Liabilities	<u>1,409</u>	<u>630</u>
	15,355	11,669
<b>Long term borrowings- Secured</b>		
Lease Liabilities	<u>-</u>	<u>494</u>
<b>Total Borrowings</b>	<u>15,355</u>	<u>12,163</u>

The fixed deposit of the Group has been pledged as security for Trade Financing and Bank overdraft. All borrowings are denominated in Ringgit Malaysia (RM).

**B8. Material Litigation**

Please refer to Item A15.

**B9. Dividends**

Dividends have not been recommended for the current quarter ended 30 June 2024.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS BY BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

**B10. Earnings Per Share**

	Individual Quarter	Cumulative Quarter
	Current Quarter Ended	Current Year to Date
	RM'000	RM'000
<b>Basic Earnings Per Share</b>		
Earning for the period attributable to equity holders of the company	(31,843)	(32,291)
Weighted average of ordinary shares in issued ("000)	296,703	296,703
(Loss)/Earning Per Share (Sen)	<u>(10.73)</u>	<u>(10.88)</u>

The potential conversion of Irredeemable Convertible Preference Shares ("ICPS") is anti-dilutive as the conversion of the ICPS results in a reduction in diluted loss per share upon conversion.

**B11. Loss before Taxation**

	Individual Quarter	Cumulative Quarter
	Current Quarter Ended 30 Jun 2024	Current Period to Date 30 Jun 2024
	RM'000	RM'000
This is arrived at after (crediting)/ charging:		
Expected credit loss	2,593	2,593
Interest Income	(43)	(62)
Interest expenses	625	799
Impairment of goodwill	21,000	21,000
Inventory written off	1,426	1,426
(Gain)/Loss on disposal of subsidiary company	(13,929)	(13,929)
(Gain)/Loss on disposal of PPE	(517)	(636)
Depreciation of PPE	1,785	2,110
Depreciation of right-of-use assets	135	214