SFP TECH HOLDINGS BERHAD

(Registration No. 202101004713 (1405012-M))
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2026

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2026[1]

		Individual quarter		Cumulative quarter	
		Unaudited	Unaudited	Unaudited	Unaudited
	Note	Current year quarter	Preceding year corresponding quarter	Current year-to-date	Preceding year corresponding year-to-date
		30.06.2026	30.06.2025	30.06.2026	30.06.2025
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	**39,105**	**28,674**	**65,388**	**49,328**
Cost of sales		(24,125)	(14,302)	(37,677)	(21,320)
Gross profit		**14,980**	**14,372**	**27,711**	**28,008**
Other income	B5	153	301	232	664
Selling and distribution expenses		(124)	(360)	(180)	(638)
General administrative expenses		(5,721)	(6,643)	(11,210)	(12,891)
Other gain/(losses)		692	(5,839)	(1,936)	(6,276)
Operating profit		**9,980**	**1,831**	**14,617**	**8,867**
Finance costs		(682)	(1,283)	(1,500)	(2,117)
Finance income		43	63	82	110
Profit before tax ("PBT")	B15	**9,341**	**611**	**13,199**	**6,860**
Tax expense	B6	(1,946)	(34)	(3,803)	761
Profit for the financial period		**7,395**	**577**	**9,396**	**7,621**
Other comprehensive gain/(loss), net of tax:					
Item that may be subsequently reclassified to profit or loss:					
- Currency translation differences		6	(76)	(3)	(85)
Total comprehensive income for the financial period		**7,401**	**501**	**9,393**	**7,536**
Profit attributable to:					
Owners of the Company		7,395	577	9,396	7,621
		7,395	**577**	**9,396**	**7,621**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2026[1] (continued)

		Individual quarter		Cumulative quarter	
	Note	Unaudited Current year quarter 30.06.2026 RM'000	Unaudited Preceding year corresponding quarter 30.06.2025 RM'000	Unaudited Current year-to-date 30.06.2026 RM'000	Unaudited Preceding year corresponding year-to-date 30.06.2025 RM'000
Total comprehensive income attributable to:					
Owners of the Company		7,401	501	9,393	7,536
		7,401	**501**	**9,393**	**7,536**
Earnings per ordinary share attributable to owners of the Company:					
Basic earnings per share (sen) [2]	B14	0.31	0.02	0.39	0.32
Diluted earnings per share (sen) [3]	B14	0.31	0.02	0.39	0.32

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 2025 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.

(2) Basic earnings per share ("EPS") is calculated based on the profits attributable to owners of the Company divided by the total number of ordinary shares of SFP Tech ("Share(s)") in issue as at 30 June 2026.

(3) Diluted earnings per share is calculated based on the profits attributable to owners of the Company divided by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of potential ordinary shares.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026[(1)]

	Note	Unaudited As at 30.06.2026 RM'000	Audited As at 31.12.2025 RM'000
Non-current assets			
Property, plant and equipment		161,222	159,303
Right of use asset		1,083	1,582
Investment property		2,209	2,246
Intangible asset		73	78
Prepayments		6,098	6,098
Deferred tax assets		33	-
Total non-current assets		**170,718**	**169,307**
Current assets			
Inventories		74,757	55,436
Trade receivables		73,504	59,292
Other receivables, deposits and prepayments		25,934	20,649
Contract assets		14	1,049
Deposit, cash and bank balances		9,085	9,684
Total current assets		**183,294**	**146,110**
Total assets		**354,012**	**315,417**
Equity			
Share capital		120,075	119,489
Merger reserve		(53,077)	(53,077)
Employee share option scheme reserve		844	211
Currency translation reserve		(413)	(410)
Retained earnings		153,858	144,462
Total equity		**221,287**	**210,675**
Non-current liabilities			
Lease liabilities		88	608
Borrowings	B9	30,607	34,373
Total non-current liabilities		**30,695**	**34,981**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026[1] (continued)

	Note	Unaudited As at 30.06.2026 RM'000	Audited As at 31.12.2025 RM'000
Current liabilities			
Trade payables		8,728	8,409
Other payables and accruals		34,153	21,640
Amount owing to director		10,850	-
Lease liabilities		1,023	991
Borrowings	B9	28,413	22,068
Current tax provision		18,863	16,653
Total current liabilities		**102,030**	**69,761**
Total liabilities		**132,725**	**104,742**
Total equity and liabilities		**354,012**	**315,417**
Net assets per share (RM)		0.09 [2]	0.09 [2]

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 SECOND QUARTER ENDED 30 JUNE 2026[(1)]

	<------------------------ Attributable to owners of the parent ------------------------>					
	<------------------ Non-distributable ------------------>				Distributable	
	Share Capital RM'000	**Merger Reserves RM'000**	**ESOS* Reserves RM'000**	**Currency Translation Reserves RM'000**	**Retained Earnings RM'000**	**Total Equity RM'000**
Balance as at 1 January 2026	119,489	(53,077)	211	(410)	144,462	210,675
Total comprehensive income for the financial period	-	-	-	(3)	9,396	9,393
Transactions with owners:						
Share-based compensation pursuant to ESOS* granted	-	-	765	-	-	765
Issuance of shares pursuant to ESOS* exercised	586	-	(132)	-	-	454
	586	-	633	-	-	1,219
Balance as at 30 June 2026	**120,075**	**(53,077)**	**844**	**(413)**	**153,858**	**221,287**
Balance as at 1 January 2025 (As restated)	119,489	(53,077)	225	(89)	140,390	206,938
Total comprehensive income for the financial period	-	-	-	(85)	7,621	7,536
Transaction with owners:						
Share-based compensation pursuant to ESOS* granted	-	-	128	-	-	128
Balance as at 30 June 2025	**119,489**	**(53,077)**	**353**	**(174)**	**148,011**	**214,602**

* Employee Share Option Scheme ("ESOS").

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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2026[1]

	Unaudited Current year-to-date 30.06.2026 RM'000	Unaudited Preceding year-to-date 30.06.2025 RM'000
Cash flows from operating activities		
PBT	**13,199**	**6,860**
Adjustments for:		
Amortisation of intangible assets	5	331
Deferred income released	-	(156)
Depreciation on investment property	37	38
Depreciation on right-of-use asset	499	165
Depreciation of property, plant and equipment	8,473	8,007
Loss on disposal of property, plant and equipment	405	-
Allowance for slow-moving and obsolete inventories	2,240	-
Interest expenses	1,500	2,117
Interest income	(82)	(110)
Share-based compensation expenses	765	128
Unrealised (gain)/loss on foreign exchange	(1,885)	5,965
Operating profit before working capital changes	**25,156**	**23,345**
Changes in working capital:		
Inventories	(21,561)	(25,099)
Trade and other receivables	(18,250)	7,093
Trade and other payables	16,137	20,119
Contract assets/liabilities	1,035	(989)
Cash generated (used in)/from operations	**2,517**	**24,469**
Income tax paid	(1,626)	(1,047)
Interest paid	(1,500)	(2,117)
Interest received	71	110
Net cash (used in)/from operating activities	**(538)**	**21,415**
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,864)	(9,239)
Proceeds from disposal of property, plant and equipment	66	-
Net cash used in investing activities	**(10,798)**	**(9,239)**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2026[1] (continued)

	Unaudited Current year-to-date 30.06.2026 RM'000	Unaudited Preceding year-to-date 30.06.2025 RM'000
Cash flows from financing activities		
Advances from director	10,850	-
Drawdown of hire-purchase	10,601	-
Proceeds from issuance of shares under ESOS	454	-
Repayment of lease liability	(488)	(154)
Repayment of hire purchase	(11,888)	(9,811)
Repayment of term loans	(1,573)	(1,895)
Net cash from/(used in) financing activities	**7,956**	**(11,860)**
Net (decrease)/increase in cash and cash equivalents	**(3,380)**	**316**
Effect of changes in foreign exchange rate	98	(348)
Cash and cash equivalents at beginning of financial period	**8,569**	**7,720**
Cash and cash equivalents at end of financial period	**5,287**	**7,688**
Cash and cash equivalents at the end of the financial period comprise:		
Fixed deposits with licensed banks	1,126	1,099
Cash and bank balances	7,959	7,688
Less: Fixed deposits pledged to licensed banks or maturity period more than 3 months	(1,126)	(1,099)
Less: Bank overdrafts	(2,672)	-
Cash and cash equivalents at the end of the financial period	**5,287**	**7,688**

Note:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.

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A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report of SFP Tech Holdings Berhad (“**SFP Tech**” or “**Company**”) and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“**MASB**”) and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

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

A2. Summary of accounting policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Group’s annual audited financial statements for the financial year ended 31 December 2025 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.

Amendments to MFRS 9 ‘Financial Instruments’ and MFRS 7 ‘Financial Instruments: Disclosures’ on ‘Amendments to the Classification and Measurement of Financial Instruments’

Amendments to MFRS 9 ‘Financial Instruments’ and MFRS 7 ‘Financial Instruments: Disclosures’ on Contracts Referencing Nature - dependent Electricity

Annual improvements to MFRS Accounting Standards - Volume 11 for enhanced consistency

- *Amendments to MFRS 1 ‘First-time Adoption of Malaysian Financial Reporting Standards’ on ‘Hedge Accounting by a First-Time Adopter’*
- *Amendments to MFRS 7 ‘Financial Instruments Disclosures’ on ‘Gain or Loss on De-recognition’*
- *Amendments to Guidance on Implementing MFRS 7 ‘Financial Instruments: Disclosures’*
- *Amendments to MFRS 9 ‘Financial Instruments’ on ‘De-recognition of Lease Liabilities’*
- *Amendments to MFRS 10 ‘Consolidated Financial Statements’ on ‘Determination of a ‘De Facto Agent’*
- *Amendments to MFRS 107 ‘Statement of Cash Flows’ on ‘Cost Method’*

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 2027

MFRS 18 ‘Presentation and Disclosure in Financial Statements’

MFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’

Amendments to MFRS 19 'Subsidiaries without Public Accountability: Disclosures'

Amendments to MFRS 121 'The Effects of Changes in Foreign Exchange Rates' on 'Translation to a Hyperinflationary Presentation Currency'

Effective for annual periods beginning on or after 1 January 2029
MFRS 20 'Regulatory Assets and Regulatory Liabilities'

Effective when an entity first applies MFRS 18
Amendments to MFRS 128 'Investments in Associates and Joint Ventures' on 'Amendments to the Fair Value Option for Investments in Associates and Joint Ventures'

Effective date yet to be confirmed
Amendments to MFRS 10 and MFRS 128 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'

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

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.

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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 15 December 2025, the Company granted options under its Employees' Share Option Scheme ("ESOS") (Grant 2) to eligible directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries). A total of 26,100,000 share options were offered at an exercise price of RM0.1435 per share, compared with the closing market price of the Company's shares of RM0.145 on the date of the offer. The options granted are subject to a graded vesting schedule, whereby 25% of the options vest on each of these dates (15 January 2026, 15 April 2026, 15 July 2026, and 15 October 2026). Upon vesting, the options may be exercised up to 14 December 2026. The movements of the ESOS (Grant 2) are as follows:

	Weighted average of fair value at grant date	<------------- Number of share options ------------->				
		As at 01.01.2026	Vested	Lapsed	Exercised	As at 30.06.2026
		Units '000	Units '000	Units '000	Units '000	Units '000
Granted and accepted on:						
15 December 2025	0.04180	26,100	-	-	(3,165)	22,935
Vested and exercisable upon:						
15 January 2026	0.04180	-	6,525	-	(1,688)	4,837
15 April 2026	0.04180	-	6,525	-	(1,477)	5,048
		-	13,050	-	(3,165)	9,885

A8. Dividend Paid

There was no dividend proposed or declared during current financial quarter under review and year-to-date.

A9. Segmental information

The Group has two reportable segments which comprised its major business segments. The reportable segments are as follows:

(1)	Manufacturing	Sales of precision machined parts and components, fabricated metal products and mechanically assembled products.
(2)	Automation	Sales of automation equipment solutions and spare parts.

A9. Segmental information (Cont'd)

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	**Unaudited**	**Unaudited**	**Unaudited**
	Current year quarter	**Preceding year quarter**	**Current year-to-date**	**Preceding year year-to-date**
	30.06.2026	**30.06.2025**	**30.06.2026**	**30.06.2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue				
Manufacturing	32,923	25,498	55,065	43,602
Automation	6,182	3,176	10,323	5,726
Total	**39,105**	**28,674**	**65,388**	**49,328**

(b) Revenue contribution by geographical locations

	Individual quarter		Cumulative quarter	
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
	Current year quarter	**Preceding year quarter**	**Current year-to-date**	**Preceding year year-to-date**
	30.06.2026	**30.06.2025**	**30.06.2026**	**30.06.2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Malaysia	14,037	10,557	30,019	17,581
Foreign Markets				
USA	12,412	14,239	15,462	23,992
Singapore	5,980	894	7,548	3,321
Philippines	-	-	1,482	-
India	3,462	245	4,842	245
Others	3,214 [(1)]	2,739 [(2)]	6,035 [(1)]	4,189 [(2)]
	39,105	**28,674**	**65,388**	**49,328**

Notes:

[(1)] Others comprise of China, Vietnam, Thailand, Indonesia, Mexico and Netherland.

[(2)] Others comprise of China, Vietnam, Thailand and Europe.

A10. Valuation of property, plant and equipment

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

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

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

A12. Changes in the composition of the Group

There were no other material changes to the composition of the Group during the current financial quarter under review.

A13. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets in the Group for the current financial quarter under review.

A14. Capital commitments

	Unaudited As at 30.06.2026 RM'000	Audited As at 31.12.2025 RM'000
Authorised and contracted for		
- Property, plant and equipment	18,147	17,979

A15. Related party transactions

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

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B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance - Comparison with previous year's corresponding quarter and financial year-to-date

	Unaudited Current year quarter 30.06.2026 RM'000	Unaudited Preceding year corresponding quarter 30.06.2025 RM'000	Unaudited Current year-to-date 30.06.2026 RM'000	Unaudited Preceding year corresponding year-to-date 30.06.2025 RM'000
Revenue	39,105	28,674	65,388	49,328
Gross Profit	14,980	14,372	27,711	28,008
Profit before interest and tax	9,980	1,831	14,617	8,867
PBT	9,341	611	13,199	6,860
Profit after tax	7,395	577	9,396	7,621
Profit attributed to owners of the company	**7,395**	**577**	**9,396**	**7,621**

The Group recorded revenue of RM39.11 million for the current quarter and RM65.39 million for year-to-date ended 30 June 2026 which represented an increase of RM10.43 million or 36.38% and RM16.06 million or 32.56% as compared to the revenue recorded of RM28.67 million and RM49.33 million for the preceding year corresponding quarter and corresponding year-to-date ended 30 June 2025 respectively.

The Group's revenue was principally derived from the Manufacturing segment which contributed RM32.92 million accounting for approximately 84.19% of the total revenue for the current quarter which represented an increase of RM7.43 million or 29.12% as compared to the revenue generated from the manufacturing segment in the preceding year corresponding quarter of RM25.50 million due to the increase in manufacturing business segment. For year-to-date ended 30 June 2026, the Group's revenue was also principally derived from the Manufacturing segment which contributed RM55.07 million accounting for approximately 84.21% of the revenue recorded in the current year-to-date which represented an increase of RM11.46 million or 26.29% as compared to the revenue generated from the Manufacturing segment in the preceding year corresponding year-to-date of RM43.60 million mainly attributable to higher revenue arising from increased customer orders and stronger demand for the manufacturing business segment.

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B1. Review of performance - Comparison with previous year's corresponding quarter and financial year-to-date (Cont'd)

The Group's revenue was mainly derived from customers in the Malaysia and USA which contributed in aggregate RM26.45 million accounting for approximately 67.64% of the Group's total revenue for the current quarter which represents a increase of RM1.65 million or 6.67% as compared to the revenue derived from customers in USA and Malaysia in the preceding year corresponding quarter of RM24.80 million. For year-to-date ended 30 June 2026, the Group's revenue was mainly derived from customers in Malaysia and USA, which in aggregate contributed a total of RM45.48 million accounting for approximately 69.56% of the Group's total revenue for the current year-to-date ended 30 June 2026 as compared to the preceding year corresponding year-to-date whereby the revenue was predominately from USA and Malaysia, which accounted for 84.28% of the Group's total revenue.

The Group recorded PBT of RM9.34 million and RM13.20 million for the current quarter ended and year-to-date ended 30 June 2026. As compared to the PBT generated by the Group for the preceding year corresponding quarter and year-to-date ended 30 June 2025, it represented an increase of RM8.73 million or 1,428.81% and an increase of RM6.34 million or 92.41% mainly driven by higher revenue during the current quarter.

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

	Quarter Ended		Variance	
	30.06.2026	31.03.2026		
	RM'000	RM'000	RM'000	%
Revenue	39,105	26,283	12,822	48.78
PBT	9,341	3,858	5,483	142.12

The Group recorded an increase in revenue of RM12.82 million or approximately 48.78% for the current quarter ended 30 June 2026 as compared to the preceding quarter ended 31 March 2026. The increase in revenue was primarily attributed to increase in manufacturing business segment.

The Group's PBT increase by RM5.48 million or approximately 142.12% for the current quarter ended 30 June 2026 as compared to the preceding quarter ended 31 March 2026 is mainly attributable to higher revenue and improved cost efficiency.

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B3. Prospects of the Group

SFP Tech Holdings Berhad ("SFP Tech" or the "Group") operates three manufacturing plants in Mainland Penang and provides integrated factory and automated equipment solutions, supported by in-house engineering capabilities in precision CNC machining, sheet metal fabrication and module assembly.

The Group has a diversified portfolio of multinational corporation ("MNC") customers across the semiconductor, including wafer Front-of-Line ("FOL") and Back-End, Electronic Manufacturing Services, electrical and electronic products, solar photovoltaic ("PV"), automotive and healthcare industries, amongst others. The Group has secured sizeable firm orders from several existing MNC customers in the semiconductor, medical and renewable energy industries, with deliveries commencing in the second quarter of 2026. Additionally, the Group is currently engaging with potential new MNC customers across new industries, including green energy, defence and aerospace, with potential projects expected to contribute to future deliveries.

The Group's book-to-bill ratio has remained above 1.2x over the past three quarters, with its order book exceeding RM125 million as at 22 June 2026. The Group also has several high-value, long-term projects in its pipeline within the semiconductor FOL equipment market. These projects are expected to increase the Group's market penetration in the Australia and New Zealand ("ANZ") region and support its entry into higher-volume engineering manufacturing.

Despite ongoing geopolitical tensions, the Group remains optimistic on its business outlook and will continue to strengthen relationships with its existing customers and pursue new business opportunities.

B4. Variance of actual profits from forecast profits

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review.

B5. Other income

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter 30.06.2026 RM'000	**Unaudited Preceding year quarter 30.06.2025 RM'000**	**Unaudited Current year-to-date 30.06.2026 RM'000**	**Unaudited Preceding year year-to-date 30.06.2025 RM'000**
Government grant	-	-	-	156
Scrap income	132	265	204	436
Rental income	21	36	28	72
Total	**153**	**301**	**232**	**664**

B6. Tax expense

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter 30.06.2026 RM'000	Unaudited Preceding year quarter 30.06.2025 RM'000	Unaudited Current year-to-date 30.06.2026 RM'000	Unaudited Preceding year year-to-date 30.06.2025 RM'000
Current tax expense				
- Current	1,975	34	3,836	2,240
- Under accrual in prior year	-	-	-	-
Deferred tax expense				
- Current	(29)	-	(33)	-
- Over accrual in prior year	-	-	-	(3,001)
	1,946	34	3,803	(761)
Effective tax rate (%)	20.83	5.56	28.81	(11.09)
Statutory tax rate (%)	24.00	24.00	24.00	24.00

The effective tax rate of the Group of 20.83% and 5.56% for the current and corresponding quarter respectively mainly due to recognition of deferred tax asset in the current quarter, and tax incentive from pioneer status tax exemption of STSB in the corresponding quarter.

B7. Status of corporate proposals

There are no other corporate proposals announced by the Company but not completed as at the date of this interim report.

B8. Utilisation of Proceeds from the Initial Public Offering ("IPO")

The Group has fully utilised the proceed from the IPO according to the revised timeline.

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B9. Borrowings

As at 30 June 2026, the Group has total borrowings of RM59.02 million as follows:

	Unaudited As at 30.06.2026 RM'000	Audited As at 31.12.2025 RM'000
Non-current liabilities (secured)		
Term loans	22,404	23,975
Hire purchase	8,203	10,398
	30,607	34,373
Current liabilities (secured)		
Bank overdrafts	2,672	-
Invoice financing	2,767	-
Term loans	3,223	3,225
Hire purchase	19,751	18,843
	28,413	22,068
Total borrowings		
Bank overdrafts	2,672	-
Invoice financing	2,767	-
Term loans	25,627	27,200
Hire purchase	27,954	29,241
	59,020	56,441

The currency of borrowing is as follows:

	Unaudited As at 30.06.2026 RM'000	Audited As at 31.12.2025 RM'000
Ringgit Malaysia	54,904	52,117
United States Dollar	4,116	4,324
	59,020	56,441

B10. Derivative financial instruments

As at 30 June 2026, 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.

B13. Dividend

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

B14. Earnings per share ("EPS")

	Individual quarter		**Cumulative quarter**	
	Unaudited Current year quarter 30.06.2026	**Unaudited Preceding year quarter 30.06.2025**	**Unaudited Current year-to-date 30.06.2026**	**Unaudited Preceding year year-to-date 30.06.2025**
Profit attributable to owners of the Company (RM'000)	7,395	577	9,396	7,621
Number of ordinary shares in issue ('000)	2,403,165	2,400,000	2,403,165	2,400,000
Weighted average number of ordinary shares in issue ('000)	2,408,857	2,401,738	2,408,857	2,401,738
Basic EPS (sen) [(1)]	0.31	0.02	0.39	0.32
Diluted EPS (sen) [(2)]	0.31	0.02	0.39	0.32

Notes:

(1) Basic EPS is calculated based on the profits attributable to owners of the Company divided by the total number of ordinary shares in issue as at 30 June 2026. Diluted EPS is similar to Basic EPS as the Company does not have any potential dilutive ordinary shares.

(2) Diluted earnings per share is calculated based on the profits attributable to owners of the Company divided by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of potential ordinary shares.

B15. Notes to the Condensed Consolidated Statement of Profit and Other Comprehensive Income

Profit for the period was derived after taking into consideration of the following:-

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter 30.06.2026 RM'000	Unaudited Preceding year quarter 30.06.2025 RM'000	Unaudited Current year-to-date 30.06.2026 RM'000	Unaudited Preceding year year-to-date 30.06.2025 RM'000
After charging/(crediting) :				
Amortisation of intangible assets	2	37	5	331
Deferred income released	-	-	-	(156)
Depreciation on				
- Property, plant and equipment	4,361	4,546	8,473	8,007
- Investment property	18	19	37	38
- Right-of-use asset	249	82	499	165
Interest income	(43)	(63)	(82)	(110)
Interest expense	682	1,283	1,500	2,117
Loss on disposal of property, plant and equipment	405	-	405	-
Loss/(Gain) on foreign exchange				
- realised	46	355	1,176	312
- unrealised	(1,143)	5,485	(1,885)	5,965

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.

B16. Review by the Company's External Auditors

These financial statements have been completed with a limited review by the Company’s external auditors in accordance with the International Standard on Review Engagement, which applies to a review of historical consolidated financial information performed by the independent auditor of the entity.

BY ORDER OF THE BOARD
SFP TECH HOLDINGS BERHAD
21 AUGUST 2026