SFP TECH HOLDINGS BERHAD
(Registration No. 202101004713 (1405012-M))
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024[1]

	Note	Individual quarter		Cumulative quarter	
		Unaudited	Unaudited	Unaudited	Unaudited
		Current year quarter	Preceding year corresponding quarter	Current year-to-date	Preceding year corresponding year-to-date
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	**43,572**	**15,903**	**169,786**	**124,413**
Cost of sales		(30,059)	(2,534)	(99,587)	(73,336)
Gross profit		**13,513**	**13,369**	**70,199**	**51,077**
Other income	B5	2,019	1,248	3,939	4,005
Administration expenses		(29,803)	(3,955)	(50,671)	(10,220)
Operating (loss)/profit		**(14,271)**	**10,662**	**23,467**	**44,862**
Finance costs		(834)	(968)	(2,899)	(2,735)
Finance income		85	233	732	1,197
(Loss)/Profit before tax ("LBT" or "PBT")	B15	**(15,020)**	**9,927**	**21,300**	**43,324**
Tax expense	B6	(6,309)	(2,557)	(11,623)	(4,191)
(Loss)/Profit for the financial period		**(21,329)**	**7,370**	**9,677**	**39,133**
Other comprehensive income/(loss), net of tax					
Currency translation of foreign operation		7	-	(85)	-
Total comprehensive (loss)/income for the financial period		**(21,322)**	**7,370**	**9,592**	**39,133**
(Loss)/Profit attributable to:					
Owners of the Company		**(21,329)**	**7,370**	**9,677**	**39,133**
		(21,329)	**7,370**	**9,677**	**39,133**
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(21,322)	7,370	9,592	39,133
		(21,322)	**7,370**	**9,592**	**39,133**
(Loss)/Earnings per ordinary share attributable to owners of the Company:					
Basic (loss)/earnings per share (sen) [2]	B14	(0.89)	0.31	0.40	1.63
Diluted (loss)/earnings per share (sen) [3]	B14	(0.89)	0.31	0.40	1.63

Notes:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.

(2) Basic (loss)/earnings per share ("**LPS**" or "**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 31 December 2024.

(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 31 DECEMBER 2024[1]

	Note	Unaudited As at 31.12.2024 RM'000	Audited As at 31.12.2023 RM'000
Non-current assets			
Property, plant and equipment		172,101	147,431
Investment property		2,321	2,407
Intangible asset		243	1,284
Total non-current assets		**174,665**	**151,122**
Current assets			
Inventories		17,316	14,783
Trade receivables		101,695	60,328
Other receivables, deposits and prepayments		18,441	10,993
Tax recoverable		-	330
Cash and cash equivalents		8,799	54,222
Total current assets		**146,251**	**140,656**
Total assets		**320,916**	**291,778**
Equity			
Share capital		119,489	119,489
Other reserves		(52,624)	(53,077)
Retained earnings		130,886	130,809
Total equity		**197,751**	**197,221**
Non-current liabilities			
Deferred tax liabilities		12,637	6,071
Deferred income		156	852
Borrowings	B9	54,017	34,713
Total non-current liabilities		**66,810**	**41,636**
Current liabilities			
Trade payables		15,909	33,356
Other payables and accruals		13,359	3,444
Contract liabilities		998	159
Borrowings	B9	23,675	15,962
Current tax liabilities		2,414	-
Total current liabilities		**56,355**	**52,921**
Total liabilities		**123,165**	**94,557**
Total equity and liabilities		**320,916**	**291,778**
Net assets per share (RM) [2]		0.08	0.08

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 as at the end of the reporting period.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024[(1)]

	<------------------------Attributable to owners of the parent ------------ -->					
	<--------------- Non-distributable -------------->				Distributable	
	Share Capital RM'000	Currency Translation Reserves RM'000	Merger Reserves RM'000	ESOS Reserves RM'000	Retained Earnings RM'000	Total Equity RM'000
Balance as at 1 January 2024	119,489	-	(53,077)	-	130,809	197,221
Total comprehensive income for the financial period	-	(85)	-		9,677	9,592
Transaction with owners:						
Share-based compensation pursuant to ESOS granted				538		538
Dividend	-	-	-	-	(9,600)	(9,600)
Balance as at 31 December 2024	**119,489**	**(85)**	**(53,077)**	**538**	**130,886**	**197,751**
Balance as at 1 January 2023	119,489	-	(53,077)	-	100,476	166,888
Total comprehensive income for the financial period	-	-	-	-	39,133	39,133
Transaction with owners:						
Dividend	-	-	-	-	(8,800)	(8,800)
Balance as at 31 December 2023	**119,489**	**-**	**(53,077)**	**-**	**130,809**	**197,221**

Note:

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

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024[(1)]

	Unaudited Current year-to-date 31.12.2024 RM'000	Unaudited Preceding year-to-date 31.12.2023 RM'000
Cash flows from operating activities		
PBT	**21,300**	**43,324**
Adjustments for:		
Allowance for expected credit loss	24,102	-
Amortisation of intangible assets	1,040	1,028
Bargain purchase	-	-
Deferred income released	(696)	(696)
Depreciation of property, plant and equipment	14,573	10,307
Depreciation on investment property	82	90
Interest expenses	2,899	2,735
Interest income	(732)	(1,197)
Listing expenses	-	-
Unrealised (gain)/loss on foreign exchange	(1,625)	72
Operating profit before working capital changes	**60,943**	**55,663**
Changes in working capital:		
Inventories	(2,527)	(8,186)
Trade and other receivables	(70,794)	(37,996)
Trade and other payables	(6,916)	24,223
Contract liabilities	839	(599)
Cash (used in)/generated from operations	**(18,455)**	**33,105**
Income tax paid	(2,326)	(1,795)
Interest paid	(2,899)	(2,735)
Interest received	732	1,197
Net cash (used in)/generated from operating activities	**(22,948)**	**29,772**
Cash flows from investing activities		
Purchase of property, plant and equipment	(37,694)	(25,451)
Net cash used in investing activities	**(37,694)**	**(25,451)**
Cash flows from financing activities		
Dividend paid	(9,600)	(8,800)
Drawdown of term loans	49,339	2,484
Placement of fixed deposits	-	(600)
Repayment of hire purchase	(17,932)	(11,749)
Repayment of term loans	(4,210)	(3,915)
Net cash from/(used in) financing activities	**17,597**	**(22,580)**
Net decrease in cash and cash equivalents carried forward	**(43,045)**	**(18,259)**

	Unaudited Current year-to-date 31.12.2024 RM'000	Unaudited Preceding year-to-date 31.12.2023 RM'000
Net decrease in cash and cash equivalents brought forward	**(43,045)**	**(18,259)**
Effect of changes in foreign exchange rate	(1,802)	(333)
Cash and cash equivalents at beginning of financial period	**52,566**	**71,158**
Cash and cash equivalents at end of financial period	**7,719**	**52,566**
Cash and cash equivalents at the end of the financial period comprises:		
Fixed deposits with licensed banks	1,080	1,656
Cash and bank balances	7,719	52,566
Less: Fixed deposits pledged to licensed banks or maturity period more than 3 months	(1,080)	(1,656)
Cash and cash equivalents at the end of the financial period	**7,719**	**52,566**

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 2023 as disclosed in the Annual Report except for the adoption of the following amendments/ improvements to MFRSs that are mandatory for the current financial year.

Effective for annual periods beginning on or after 1 January 2024
Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback
Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants (2022 amendments)
Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current (2020 amendments)
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosure – Supplier Finance Arrangements

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

Effective for annual periods beginning on or after 1 January 2025
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

Effective for annual periods beginning on or after 1 January 2026
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures – Classifications and Measurement of Financial Instruments

Effective for annual periods beginning on or after 1 January 2026
Amendments to MFRS 10 Consolidated Financial Statements

Effective for annual periods beginning on or after 1 January 2027
MFRS 18 Presentation and Disclosure in Financial Statements

Effective date yet to be confirmed
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

A3. Auditors' report on preceding annual financial statements

The auditors' report for the preceding annual financial statement of the Group was not subject to any qualification.

A4. Seasonal or cyclical factors

The Group's operation was not significantly affected by any unusual seasonal or cyclical factors.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no extraordinary and exceptional items of unusual nature affecting the assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review and year-to-date.

A6. Changes in estimates

There were no material changes in the estimates that have a material effect to the Group during the current quarter under review and year-to-date.

A7. Debt and equity securities

Saved as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter under review and year-to-date.

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

The movements of the ESOS are as follows:

				<------------------------Number of share options -------------------->				
	Grant Date	**Exercise Price (RM)**	**Vesting Period**	**As at 1 July 2024**	**Granted**	**Exercised**	**Lapsed**	**As at 31 December 2024**
Tranche 1	27/08/2024	0.715	Over a period of 1 year up to 26/08/2025	-	35,000,000	-	-	35,000,000
				-	35,000,000	-	-	35,000,000

A8. Dividend Paid

There was no dividend proposed or declared during the current quarter under review. On 16 August 2024, the Board declared an interim single tier dividend of RM0.002 per Share totalling RM4.80 million in respect of financial year ending 31 December 2024. The interim single tier dividend was paid on 13 September 2024 to the shareholders whose name appear in the record of depositors on 02 September 2024.

In the previous financial year ended ("FYE") 31 December 2023, the Company had on 11 August 2023 declared an interim single-tier dividend of RM0.002 per Share in respect of the financial year ended 31 December 2023 amounting to RM4.80 million which was paid on 18 September 2023 to shareholders whose names appeared in the Company's record of depositors on 04 September 2023. On 23 February 2024, the Board declared a second interim singe-tier dividend of RM0.002 per Share amounting to RM4.80 million which was paid on 25 March 2024 to shareholders whose names appeared in the Company's record of depositors on 11 March 2024. The total dividends declared for the FYE 31 December 2023 is RM0.004 per ordinary share.

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A9. Segmental information

The Group is predominantly an Engineering Supporting Services ("**ESS**") provider with integrated capabilities in providing Automation Equipment Solutions ("**AES**").

The segmental information based on the nature of the business segments as well as by geographical location are as follows:

(a) Revenue contribution by business segments

	Individual quarter		**Cumulative quarter**	
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
	Current year quarter	**Preceding year quarter**	**Current year-to-date**	**Preceding year-to-date**
	31.12.2024	**31.12.2023**	**31.12.2024**	**31.12.2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue				
Engineering supporting services	37,362	12,842	159,213	116,421
Automated equipment solutions	6,210	3,061	10,573	7,992
Total	**43,572**	**15,903**	**169,786**	**124,413**

(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-to-date**
	31.12.2024	**31.12.2023**	**31.12.2024**	**31.12.2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Malaysia	10,119	2,546	26,567	83,354
Foreign Markets				
China	21,447	9,138	109,306	9,138
USA	6,121	2,346	18,178	12,007
Singapore	2,881	1,323	7,112	5,409
Hong Kong	-	-	-	12,568
Others	3,004*(2)*	550*(1)*	8,623*(2)*	1,937*(1)*
	43,572	**15,903**	**169,786**	**124,413**

Notes:

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

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

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 31.12.2024 RM'000	Audited As at 31.12.2023 RM'000
Authorised and contracted for		
- Building	-	2,740
- Property, plant and equipment	10,212	30,573
	10,212	**33,313**

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 31.12.2024 RM'000	Unaudited Preceding Year Corresponding Quarter 31.12.2023 RM'000	Unaudited Current Year-To-Date 31.12.2024 RM'000	Unaudited Preceding Year Corresponding Year-To-Date 31.12.2023 RM'000
Revenue	43,572	15,903	169,786	124,413
Gross Profit	13,513	13,369	70,199	51,077
(Loss)/Profit before interest and tax	(14,271)	10,662	23,467	44,862
(LBT)/PBT	(15,020)	9,927	21,300	43,324
(Loss)/Profit after tax	(21,329)	7,370	9,677	39,133
(Loss)/Profit attributed to owners of the company	**(21,329)**	**7,370**	**9,677**	**39,133**

The Group recorded revenue of RM43.57 million for the current quarter and RM169.79 million for year-to-date ended 31 December 2024 which represented an increase of RM27.67 million or 174.03% and increase of RM45.38 million or 36.48% as compared to the revenue recorded of RM15.90 million and RM124.41 million for the preceding year corresponding quarter and corresponding year-to-date ended 31 December 2023, respectively.

During the quarter under review, the Group's revenue was principally derived from the ESS segment which contributed RM37.36 million accounting for approximately 86.75% of the total revenue for the current quarter which represented an increase of RM24.52 million or 190.97% as compared to the revenue generated from the ESS segment in the preceding year corresponding quarter of RM12.84 million. For the year-to-date ended 31 December 2024, the Group's revenue was also principally derived from the ESS segment which contributed RM159.21 million accounting for approximately 93.77% of the total revenue for the current year-to-date which represented an increase of RM42.79 million or 36.75% as compared to the revenue generated from the ESS segment in the preceding year corresponding year-to-date of RM116.42 million mainly due to increase in new and existing orders.

During the quarter under review, the Group's revenue was mainly derived from customers in China which contributed RM21.45 million accounting for approximately 49.23% of the Group's total revenue for the current quarter which represented an increase of RM12.31 million or 134.68% as compared to the revenue derived from customers in China in the preceding year corresponding quarter of RM9.14 million. For the year-to-date ended 31 December 2024, the Group's revenue was mainly derived from customers in China, Malaysia and USA which in aggregate contributed a total of RM154.05 million accounting for approximately 90.73% of the Group's total revenue for the current year-to-date ended 31 December 2024 as compared to the preceding year corresponding year-to-date whereby the revenue was predominately from Malaysia, USA and Hong Kong, which in aggregate accounted for 86.75% of the Group's total revenue.

The Group recorded LBT of RM15.02 million and PBT of RM21.30 million for the current quarter ended and year-to-date ended 31 December 2024 after deducting administrative expenses of RM29.80 million and RM50.67 million respectively, which mainly comprised of provision for expected credit loss, staff cost and depreciation of non-manufacturing related property, plant and equipment. As compared to the PBT generated by the Group for the preceding year corresponding quarter and year-to-date ended 31 December 2023, it represented a decrease of RM24.95 million or 251.26% and RM22.02 million or 50.83% respectively due mainly to higher administrative expenses predominantly arising from provision for expected credit loss in the year-to-date ended 31 December 2024.

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

	Quarter Ended			
	31.12.2024	30.09.2024	Variance	
	RM'000	RM'000	RM'000	%
Revenue	43,572	47,127	(3,555)	(7.54)
(LBT)/PBT	(15,020)	9,956	(24,976)	(250.86)

The Group recorded a decrease in revenue of RM3.56 million or approximately 7.54% for the current quarter ended 31 December 2024 as compared to the preceding quarter ended 30 September 2024. The decrease in revenue was due to lower orders in current quarter.

The Group's PBT decreased by RM24.98 million or approximately 250.86% for the current quarter ended 31 December 2024 as compared to the preceding quarter ended 30 September 2024 is mainly due to provision for expected credit loss amounting to RM24.10 million.

B3. Prospects of the Group

SFP Tech specialises in design, development and manufacturing of integrated factory and Automated Equipment Solutions ("AES") and Semiconductor equipment, supported by in-house ESS with production capability to customise and process complex precision CNC machined components and sheet metal fabrication. The Group has in total 3 manufacturing plants located in Mainland Penang, with a diversified portfolio of customers across different industries such as semiconductor, electrical and electronic products, solar PV, automotive, healthcare, amongst others.

The Group had on 21 February 2024 incorporated a wholly-owned subsidiary, namely SFP Integration in Singapore, which the principal activities are in design and development of production systems, machinery and equipment, and provision of other engineering services. According to the SEMI World Fab Forecast, close to 100 new semiconductor Front-Of-Line ("FOL") wafer fabrications are either going into operation or under construction over the next few years. This new subsidiary is expected to spearhead the Group's growth in capturing this anticipated growth in the semiconductor FOL wafer fabrication space predominantly in the semiconductor FOL equipment strategic business opportunities, which is one of the Group's key focus area. The Group will continue to grow its participation in both the high value-add equipment module and complex piece part fabrication.

The Board of Directors ("**Board**") is optimistic of the Group's future prospects in FY2025. Leveraging on our competitive advantage, the Group expects the strategic direction and plans to contribute positively to its financial performance in the future.

B4. Variance of actual profits from forecast profits

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

B5. Other income

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter 31.12.2024 RM'000	**Unaudited Preceding year quarter 31.12.2023 RM'000**	**Unaudited Current year-to-date 31.12.2024 RM'000**	**Unaudited Preceding year-to-date 31.12.2023 RM'000**
Unrealised gain on foreign exchange	1,625	-	1,625	-
Realised gain on foreign exchange	-	791	-	1,696
Government grant	174	174	696	696
Gain on disposal of fixed assets	71	-	71	-
Scrap income	113	73	536	515
Rental income	36	210	1,011	1,098
Total	**2,019**	**1,248**	**3,939**	**4,005**

B6. Tax expense

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter 31.12.2024 RM'000	**Unaudited Preceding year quarter 31.12.2023 RM'000**	**Unaudited Current year-to-date 31.12.2024 RM'000**	**Unaudited Preceding year-to-date 31.12.2023 RM'000**
Current tax expense	894	191	5,058	1,343
Deferred tax expense	5,415	2,618	6,565	3,198
	6,309	2,809	11,623	4,541
Over provision in prior years				
- Current tax expenses	-	(11)	-	(109)
- Deferred tax expenses	-	(241)	-	(241)
Total tax expenses	6,309	2,557	11,623	4,191

	Individual quarter		Cumulative quarter	
	Unaudited	Unaudited	Unaudited	Unaudited
	Current year quarter	Preceding year quarter	Current year-to-date	Preceding year-to-date
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Effective tax rate (%)	42.00	25.76	54.57	9.67
Statutory tax rate (%)	24.00	24.00	24.00	24.00

The effective tax rate of the Group of 42.00% and 54.57% for the current and cumulative quarter respectively was higher than the statutory tax rate of 24.00% mainly due to deferred tax adjustment and loss from subsidiary.

B7. Status of corporate proposals

On 11 September 2023, the Company announced to undertake the following proposals:

(i) Proposed transfer of the listing of and quotation for the entire issued share capital of SFP Tech from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Proposed Transfer**"); and

(ii) Proposed amendments to the constitution of SFP Tech to facilitate the implementation of the Proposed Transfer ("**Proposed Amendments**")

(collectively referred to as the "**Proposals**")

Approval from the shareholders of the Company in relation to the Proposed Amendments was obtained at an extraordinary meeting held on 23 February 2024. The Proposed Amendments will be implemented and take effect from the date the Company is transferred from the ACE Market to the Main Market of Bursa Securities.

Further announcement will be made in due course in respect to the Proposed Transfer.

Saved as disclosed above, there are no other corporate proposals announced by the Company but not completed as at the date of this interim report.

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

The status of utilisation of proceeds from IPO as at 31 December 2024 is as follows:

Details of utilisation	Proposed utilisation[1]	Variation[1] / Deviation[2]	Revised utilisation	Actual utilisation	Balance unutilised proceeds	Original time frame for utilisation (from date of listing on 20 June 2022)	Revised timeframe for utilisation (from date of listing on 20 June 2022)[1]
	RM'000	RM'000	RM'000	RM'000	RM'000		
Purchase of new machinery and equipment	24,500	784	25,284	25,284	-	Within 36 months	No change
Construction of Manufacturing Plant 3	15,000	-	15,000	15,000	-	Within 24 months	No change
Repayment of bank borrowings	10,000	-	10,000	10,000	-	Within 12 months	Not applicable[3]
Working capital expenditure	5,132	555	5,687	5,687	-	Within 12 months	Within 24 months
Estimated listing expenses	4,600	(555)	4,045	4,045	-	Within 3 months	Not applicable[3]
D&D centre	3,000	(784)	2,216	2,216	-	Within 12 months	Within 18 months
Total	**62,232**	**-**	**62,232**	**62,232**	**-**		

Notes:

(1) The utilisation of proceeds and the variation as well as the extension of time for the utilisation of the proceeds from the IPO as disclosed above should be read in conjunction with the prospectus of the Company dated 26 May 2022 ("**Prospectus**") and the Company's announcement dated 20 June 2023 pertaining to the variation and extension of time for the utlisation of IPO proceeds**.**

(2) The actual utilisation for listing expenses amounted to approximately RM4.05 million. In accordance with section 4.4.5 of the Prospectus, the excess amounting to approximately RM0.56 million will be used for working capital purposes.

(3) Not applicable as the proceeds allocated has been fully utilised/reallocated to other purposes.

B9. Borrowings

As at 31 December 2024, the Group has total borrowings of RM77.69 million as follows:

	Unaudited As at 31.12.2024 RM'000	Audited As at 31.12.2023 RM'000
Non-current liabilities (secured)		
Term loans	27,450	26,649
Hire purchase	26,567	8,064
	54,017	34,713
Current liabilities (secured)		
Term loans	3,704	4,214
Hire purchase	19,971	11,748
	23,675	15,962
Total borrowings		
Term loans	31,154	30,863
Hire purchase	46,538	19,812
	77,692	**50,675**

The currency of borrowing is as follows:

	Unaudited As at 31.12.2024 RM'000	Audited As at 31.12.2023 RM'000
Ringgit Malaysia	72,428	44,754
United States Dollar	5,264	5,921
	77,692	**50,675**

B10. Derivative financial instruments

As at 31 December 2024, the Group does not have any derivative financial instruments.

B11. Fair value of financial liabilities

The Group did not have any financial liabilities measured at fair value for the current quarter under review and year-to-date.

B12. Material litigation

The Group is not involved/engaged in any material litigation, claim or arbitration either as plaintiff or defendant and there is no proceeding pending or threatened or any fact likely to give rise to proceedings which might materially affect our position or business as at the date of this report.

B13. Dividend

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

B14. Earnings per share

	Individual quarter		Cumulative quarter	
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
	Current year quarter	**Preceding year quarter**	**Current year-to-date**	**Preceding year-to-date**
	31.12.2024	**31.12.2023**	**31.12.2024**	**31.12.2023**
(Loss)/Profit attributable to owners of the Company (RM'000)	(21,329)	7,370	9,676	39,133
Number of ordinary shares in issue ('000)	2,400,000	2,400,000	2,400,000	2,400,000
Weighted average number of ordinary shares in issue ('000)	2,400,837	2,400,000	2,400,837	2,400,000
Basic (LPS)/EPS (sen) (1)	(0.89)	0.31	0.40	1.63
Diluted (LPS)/EPS (sen) (2)	[(0.89)	0.31	0.40	1.63

Notes:

(1) Basic (LPS)/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 31 December 2024.

(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 31.12.2024 RM'000	**Unaudited Preceding year quarter 31.12.2023 RM'000**	**Unaudited Current year-to-date 31.12.2024 RM'000**	**Unaudited Preceding year-to-date 31.12.2023 RM'000**
After charging/(crediting) :				
Amortisation of intangible assets	269	257	1,040	1,028
Depreciation on				
- Property, plant and equipment	4,076	3,168	14,573	10,307
- Investment property	19	22	82	90
Expenses related to short term leases of premises	291	285	1,059	647
Expenses related to low value assets				
- office equipment	13	16	44	45
Allowance for expected credit losses	24,102	(6)	24,102	72
Loss/(Gain) on foreign exchange				
- realised	3,058	(791)	3,379	(1,696)
Unrealised (gain)/loss on foreign exchange	(1,625)	72	(1,625)	72
Deferred income released	(174)	(174)	(696)	(696)

Save for the above, the other disclosure items as required under Rule 16, Part A of Appendix 9B of the Listing Requirements are not applicable.

BY ORDER OF THE BOARD
SFP TECH HOLDINGS BERHAD
25 FEBRUARY 2025