



**SWIFT ENERGY TECHNOLOGY BERHAD**  
*(Registration No. 202201033864 (1479561-A))*  
*(Incorporated in Malaysia)*

**INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED  
30 SEPTEMBER 2024**

**UNAUDITED CONDENSED COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME<sup>(1)(2)</sup>**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024**

|  | <b>INDIVIDUAL QUARTER</b> |                   | <b>CUMULATIVE QUARTER</b> |                   |
|--|---------------------------|-------------------|---------------------------|-------------------|
|  | <b>30.09.2024</b>         | <b>30.09.2023</b> | <b>30.09.2024</b>         | <b>30.09.2023</b> |
|  | <b>Unaudited</b>          | <b>Unaudited</b>  | <b>Unaudited</b>          | <b>Audited</b>    |
|  | <b>RM'000</b>             | <b>RM'000</b>     | <b>RM'000</b>             | <b>RM'000</b>     |
| Revenue  | 29,303                    | N/A               | 110,749                   | 92,426            |
| Cost of sales  | (15,162)                  | N/A               | (63,843)                  | (55,183)          |
| <b>Gross profit ("GP")</b>   | <b>14,141</b>             | <b>N/A</b>        | <b>46,906</b>             | <b>37,243</b>     |
| Other income   | 72                        | N/A               | 547                       | 877               |
| Selling and distribution expenses  | (670)                     | N/A               | (1,564)                   | (1,027)           |
| Administrative expenses  | (5,008)                   | N/A               | (21,185)                  | (18,300)          |
| Other expenses   | (1,184)                   | N/A               | (2,997)                   | (3,251)           |
| Net (loss)/reversal on impairment of financial instruments and contract assets | (403)                     | N/A               | 371                       | (110)             |
| <b>Results from operating activities</b>                                       | <b>6,948</b>              | <b>N/A</b>        | <b>22,078</b>             | <b>15,432</b>     |
| Finance income   | 66                        | N/A               | 114                       | 114               |
| Finance costs  | (368)                     | N/A               | (1,314)                   | (1,061)           |
| <b>Profit before tax ("PBT")</b>   | <b>6,646</b>              | <b>N/A</b>        | <b>20,878</b>             | <b>14,485</b>     |
| Income tax expense   | (1,295)                   | N/A               | (3,847)                   | (2,286)           |
| <b>Profit after tax ("PAT")</b>  | <b>5,351</b>              | <b>N/A</b>        | <b>17,031</b>             | <b>12,199</b>     |
| <b>Other comprehensive income, net of tax</b>                                  |                           |                   |                           |                   |
| Foreign currency translation differences for foreign operations                | (3,031)                   | N/A               | (2,896)                   | 443               |
| <b>Total comprehensive income for the financial period</b>                     | <b>2,320</b>              | <b>N/A</b>        | <b>14,135</b>             | <b>12,642</b>     |
| <b>Profit for the financial period attributable to:</b>                        |                           |                   |                           |                   |
| • Owners of the Company  | 5,181                     | N/A               | 16,851                    | 11,948            |
| • Non-controlling interests  | 170                       | N/A               | 180                       | 251               |
|  | <b>5,351</b>              | <b>N/A</b>        | <b>17,031</b>             | <b>12,199</b>     |
| <b>Total comprehensive income for the financial period attributable to:</b>    |                           |                   |                           |                   |
| • Owners of the Company  | 2,151                     | N/A               | 13,956                    | 12,390            |
| • Non-controlling interests  | 169                       | N/A               | 179                       | 252               |
|  | <b>2,320</b>              | <b>N/A</b>        | <b>14,135</b>             | <b>12,642</b>     |
| <b>Earnings per share ("EPS") attributable to owners of the Company</b>        |                           |                   |                           |                   |
| • Basic (sen) <sup>(3)</sup>   | B11                       | 0.69              | N/A                       | 1.59              |
| • Diluted (sen) <sup>(4)</sup>   | B11                       | 0.69              | N/A                       | 1.59              |

**UNAUDITED CONDENSED COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME<sup>(1)(2)</sup>**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (Cont'd)**

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Combined Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 9 December 2024 in relation to its initial public offering ("**IPO**") and the accompanying explanatory notes attached to this interim financial report.
- (2) The interim financial report announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"). There are no comparative figures for the preceding corresponding quarter as the Company will only be listed on the ACE Market of Bursa Securities on 8 January 2025 and as such no interim financial report was prepared for the comparative financial period concerned.
- (3) Basic EPS is calculated based on the Company's enlarged share capital of 750,600,000 ordinary shares upon completion of the acquisition of Swift Energy Sdn Bhd ("**SESB**") but before the IPO (refer to Note B11).
- (4) The diluted EPS of the Company is equivalent to the basic EPS as the Company does not have any convertible options at the end of the reporting period.

N/A – Not applicable

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**UNAUDITED CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup>  
AS AT 30 SEPTEMBER 2024**

|   | <b>Unaudited<br/>As at<br/>30.09.2024<br/>RM'000</b> | <b>Audited<br/>As at<br/>30.09.2023<br/>RM'000</b> |
|---|--|--|
| <b>ASSETS</b>   |  |  |
| <b>Non-current assets</b>   |  |  |
| Property, plant and equipment   | 22,423   | 22,880   |
| Right-of-use assets   | 1,902  | 1,829  |
| Deferred tax assets   | 393  | 631  |
| <b>Total non-current assets</b>   | <b>24,718</b>  | <b>25,340</b>                                      |
| <b>Current Assets</b>   |  |  |
| Inventories   | 15,333   | 15,149   |
| Trade & other receivables   | 17,389   | 16,830   |
| Contract assets   | 33,973   | 22,637   |
| Prepayments   | 457  | 672  |
| Current tax assets  | 404  | 664  |
| Deposits placed with licensed banks   | 2,631  | 2,570  |
| Cash and cash equivalents   | 20,296   | 13,836   |
| <b>Total current assets</b>   | <b>90,483</b>  | <b>72,358</b>                                      |
| <b>TOTAL ASSETS</b>   | <b>115,201</b>                                       | <b>97,698</b>                                      |
| <b>EQUITY AND LIABILITIES</b>   |  |  |
| <b>Equity</b>   |  |  |
| Share capital   | 41   | *  |
| Invested equity   | 2,000  | 2,000  |
| Translation reserve   | (1,619)  | 1,276  |
| Retained earnings   | 56,345   | 39,494   |
| <b>Equity attributable to owners of the Company</b>                                     | <b>56,767</b>  | <b>42,770</b>                                      |
| Non-controlling interests   | 498  | 319  |
| <b>Total EQUITY</b>   | <b>57,265</b>  | <b>43,089</b>                                      |
| <b>Liabilities</b>  |  |  |
| <b>Non-current liabilities</b>  |  |  |
| Loan and borrowings   | 25,536   | 12,835   |
| Lease liabilities   | 375  | 437  |
| Deferred income   | 375  | 563  |
| Deferred tax liabilities  | 130  | 1  |
| <b>Total non-current liabilities</b>  | <b>26,416</b>  | <b>13,836</b>                                      |
| <b>Current liabilities</b>  |  |  |
| Loan & borrowings   | 8,684  | 8,178  |
| Lease liabilities   | 466  | 783  |
| Deferred income   | 256  | 188  |
| Trade & other payables  | 18,712   | 27,893   |
| Contract liabilities  | 2,181  | 2,900  |
| Current tax liabilities   | 1,221  | 831  |
| <b>Total current liabilities</b>  | <b>31,520</b>  | <b>40,773</b>                                      |
| <b>TOTAL LIABILITIES</b>  | <b>57,936</b>  | <b>54,609</b>                                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>115,201</b>                                       | <b>97,698</b>                                      |
| Net assets per ordinary share attributable to owners of the Company (RM) <sup>(2)</sup> | 0.08   | 0.06   |

**UNAUDITED CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup>**  
**AS AT 30 SEPTEMBER 2024 (Cont'd)**

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Combined Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 9 December 2024 in relation to its IPO and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the Company's share capital of 750,600,000 ordinary shares upon completion of the acquisition of SESB but before the IPO (refer to Note B11).

\* – Less than RM1,000

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**UNAUDITED CONDENSED COMBINED STATEMENTS OF CHANGE IN EQUITY<sup>(1)(2)</sup>**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024**

|   | ← Non distributable → |                 | Distributable  |               | Total           | Non-        |               |
|---|-----------------------|-----------------|----------------|---------------|-----------------|-------------|---------------|
|   | Share capital         | Invested equity | Translation    | Retained      | attributable to | controlling | Total equity  |
|   | RM'000                | RM'000          | reserve        | earnings      | owners          | interests   | RM'000        |
|   | RM'000                | RM'000          | RM'000         | RM'000        | RM'000          | RM'000      | RM'000        |
| <b>As at 30 September 2022</b>                | *                     | 2,000           | 834            | 38,383        | 41,217          | 2,010       | 43,227        |
| <b>(Audited)</b>                              |                       |                 |                |               |                 |             |               |
| Foreign currency translation differences      | -                     | -               | 442            | -             | 442             | 1           | 443           |
| Profit for the year                           | -                     | -               | -              | 11,948        | 11,948          | 251         | 12,199        |
| Total comprehensive income for the year       | *                     | -               | 442            | 11,948        | 12,390          | 252         | 12,642        |
| Dividends to owners of the Group              | -                     | -               | -              | (11,000)      | (11,000)        | -           | (11,000)      |
| Dividends non-controlling interests           | -                     | -               | -              | -             | -               | (51)        | (51)          |
| Change in ownership interests in a subsidiary | -                     | -               | -              | 163           | 163             | (1,892)     | (1,729)       |
| <b>As at 30 September 2023</b>                | *                     | 2,000           | 1,276          | 39,494        | 42,770          | 319         | 43,089        |
| <b>(Audited)</b>                              |                       |                 |                |               |                 |             |               |
| Issuance of ordinary shares                   | 41                    | -               | -              | -             | 41              | -           | 41            |
| Foreign currency translation differences      | -                     | -               | (2,895)        | -             | (2,895)         | (1)         | (2,896)       |
| Profit for the year                           | -                     | -               | -              | 16,851        | 16,851          | 180         | 17,031        |
| Total comprehensive income for the year       | -                     | -               | (2,895)        | 16,851        | 13,956          | 179         | 14,135        |
| <b>As at 30 September 2024</b>                | <b>41</b>             | <b>2,000</b>    | <b>(1,619)</b> | <b>56,345</b> | <b>56,767</b>   | <b>498</b>  | <b>57,265</b> |
| <b>(Unaudited)</b>                            |                       |                 |                |               |                 |             |               |

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Combined Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 9 December 2024 in relation to its IPO and the accompanying explanatory notes attached to this interim financial report.

\* – Less than RM1,000

**UNAUDITED CONDENSED COMBINED STATEMENTS OF CASH FLOWS<sup>(1)(2)</sup>**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024**

|   | <b>CURRENT<br/>PERIOD-TO-<br/>DATE<br/>30.09.2024<br/>RM'000</b> | <b>PRECEDING<br/>PERIOD-TO-<br/>DATE<br/>30.09.2023<br/>RM'000</b> |
|---|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |  |  |
| Profit before tax   | 20,878   | 14,485   |
| Adjustments for:  |  |  |
| Depreciation of property, plant and equipment   | 888  | 891  |
| Depreciation of right-of-use assets   | 619  | 765  |
| Finance costs   | 1,314  | 1,061  |
| Finance income  | (114)  | (114)  |
| Amortisation of government grants   | (321)  | (188)  |
| Gain on disposal of right-of-use assets   | (54)   | (31)   |
| Inventories written down to net realisable value/(Reversal of inventories written down) | 274  | (486)  |
| Net loss/(reversal) on impairment of financial instruments and contract assets          | (371)  | 110  |
| Unrealised foreign exchange differences   | (81)   | 142  |
| <b>Operating profit before changes in working capital</b>                               | <b>23,032</b>  | <b>16,635</b>  |
| <b>Change in working capital</b>  |  |  |
| Contract assets   | (11,335)   | (2,973)  |
| Contract liabilities  | (720)  | (10,499)   |
| Inventories   | (458)  | 1,947  |
| Prepayments   | 215  | 673  |
| Trade and other receivables   | 1,137  | 5,763  |
| Trade and other payables  | 607  | (4,794)  |
| <b>Cash generated from operations</b>   | <b>12,478</b>  | <b>6,752</b>   |
| Tax paid  | (3,069)  | (2,111)  |
| Tax refunded  | 240  | 304  |
| <b>Net cash generated from operating activities</b>                                     | <b>9,649</b>   | <b>4,945</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |  |  |
| Acquisition of property, plant and equipment  | (443)  | (1,190)  |
| Acquisition of right-of-use assets  | (105)  | -  |
| Interest received from fixed deposits   | 114  | 114  |
| Proceeds from disposal of right-of-use assets   | 54   | 31   |
| Acquisition of non-controlling interest   | (1,729)  | -  |
| <b>Net cash used in investing activities</b>  | <b>(2,109)</b>   | <b>(1,045)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |  |  |
| Dividends paid to:  |  |  |
| – owners of the Group   | (11,000)   | -  |
| – non-controlling interests   | (51)   | -  |
| Proceeds from issuance of share capital   | 41   | -  |
| Change in pledged deposits  | (61)   | (57)   |
| Interest paid   | (1,314)  | (1,061)  |
| Net drawdown/(repayment) of bank loans  | 12,448   | (1,197)  |
| Net drawdown/(repayment) of bankers' acceptances  | (99)   | 3,058  |
| Government grant received   | 202  | 939  |
| Payment of lease liabilities  | (950)  | (1,151)  |
| <b>Net cash from financing activities</b>   | <b>(784)</b>   | <b>531</b>   |

**UNAUDITED CONDENSED COMBINED STATEMENTS OF CASH FLOWS<sup>(1)(2)</sup>**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (Cont'd)**

|  | <b>CURRENT<br/>PERIOD-TO-<br/>DATE<br/>30.09.2024<br/>RM'000</b> | <b>PRECEDING<br/>PERIOD-TO-<br/>DATE<br/>30.09.2023<br/>RM'000</b> |
|--|--|--|
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                                   | 6,756  | 4,431  |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE<br/>FINANCIAL PERIOD</b>      | 13,836   | 9,186  |
| <b>EFFECT OF EXCHANGE TRANSLATION DIFFERENCES ON CASH<br/>AND CASH EQUIVALENTS</b> | (296)  | 219  |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE<br/>FINANCIAL PERIOD</b>            | <b>20,296</b>  | <b>13,836</b>  |
| <b>Cash and cash equivalents comprise:</b>   |  |  |
| Cash and bank balances   | 20,296   | 13,836   |
| Fixed deposits with licensed banks   | 2,631  | 2,570  |
|  | 22,927   | 16,406   |
| Less: Fixed deposits pledged with licensed banks                                   | (2,631)  | (2,570)  |
|  | <b>20,296</b>  | <b>13,836</b>  |

**Note:**

- (1) The above Unaudited Condensed Combined Statement of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 9 December 2024 in relation to its IPO and the accompanying explanatory notes attached to this interim financial report.

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**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING**

**A1. Basis of preparation**

This condensed combined interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Rule 9.22 and Appendix 9B of Listing Requirements.

This is the Company's first interim financial report on the unaudited condensed combined financial results for the financial year ended 30 September 2024 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding period.

This interim financial report should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 9 December 2024 in relation to its IPO and the accompanying notes attached to this interim financial report.

**A2. Significant accounting policies**

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Accountants' Report as disclosed in the Prospectus of the Group dated 9 December 2024 in relation to its IPO, except for the following new MFRSs, and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

***MFRS Accounting Standards, interpretations and amendments 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 and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

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

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

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

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

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

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

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

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

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (Cont'd)**

**A3. Auditors' report on preceding annual financial statements**

There were no qualifications on the audited financial statements of the Group for the financial year ended 30 September 2023.

**A4. Seasonal or cyclical factors**

The Group's operation was not significantly affected by any unusual seasonal or cyclical factors in the current quarter and financial period-to-date under review.

**A5. Unusual items due to their nature, size or incidence**

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

**A6. Material changes in estimates**

There were no material changes in estimates in the current quarter and financial period-to-date under review.

**A7. Debt and equity securities**

There were no issuances, cancellations, repurchase, resale and repayment of debts and equity securities by the Group during the interim financial period under review.

**A8. Dividend paid**

There was no dividend paid by the Company during the current financial quarter under review.

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**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (Cont'd)**

**A9. Segmental information**

The Group's revenue is segmented as follows:

- (a) Analysis of revenue by business segments

|                      | <b>INDIVIDUAL QUARTER<br/>3-MONTH ENDED</b> |                                 | <b>CUMULATIVE QUARTER<br/>PERIOD-TO-DATE</b> |                   |
|----------------------|---|---------------------------------|--|-------------------|
|                      | <b>30.09.2024</b>                           | <b>30.09.2023<sup>(1)</sup></b> | <b>30.09.2024</b>                            | <b>30.09.2023</b> |
|                      | <b>RM'000</b>                               | <b>RM'000</b>                   | <b>RM'000</b>                                | <b>RM'000</b>     |
| Manufacturing        | 22,010                                      | N/A                             | 87,735                                       | 71,452            |
| Engineering Services | 1,353                                       | N/A                             | 7,222  | 3,341             |
| Trading              | 5,940                                       | N/A                             | 15,792                                       | 17,633            |
| <b>Total</b>         | <b>29,303</b>                               | <b>N/A</b>                      | <b>110,749</b>                               | <b>92,426</b>     |

- (b) Analysis of revenue by geographical location

|                  | <b>INDIVIDUAL QUARTER<br/>3-MONTH ENDED</b> |                                 | <b>CUMULATIVE QUARTER<br/>PERIOD-TO-DATE</b> |                   |
|------------------|---|---------------------------------|--|-------------------|
|                  | <b>30.09.2024</b>                           | <b>30.09.2023<sup>(1)</sup></b> | <b>30.09.2024</b>                            | <b>30.09.2023</b> |
|                  | <b>RM'000</b>                               | <b>RM'000</b>                   | <b>RM'000</b>                                | <b>RM'000</b>     |
| Malaysia         | 10,502                                      | N/A                             | 48,665                                       | 39,261            |
| China            | 1,083                                       | N/A                             | 9,524  | 10,314            |
| Singapore        | 5,746                                       | N/A                             | 20,916                                       | 18,265            |
| Indonesia        | 278   | N/A                             | 425  | 995               |
| Thailand         | 10,415                                      | N/A                             | 24,536                                       | 13,653            |
| South Africa     | 23  | N/A                             | 1,042  | 4,659             |
| Ghana            | 261   | N/A                             | 634  | 603               |
| Vietnam          | 210   | N/A                             | 420  | 218               |
| Papua New Guinea | 401   | N/A                             | 2,481  | 516               |
| Others           | 384   | N/A                             | 2,106  | 3,942             |
| <b>Total</b>     | <b>29,303</b>                               | <b>N/A</b>                      | <b>110,749</b>                               | <b>92,426</b>     |

**Notes:**

- (1) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

**A10. Material events subsequent to the end of the quarter**

Save as disclosed in Note B6, there were no other material events subsequent to the end of the financial quarter.

**A11. Changes in the composition of the Group**

Save as disclosed in Note B6, there were no material changes in the composition of the Group during the current financial quarter.

**A12. Contingent liabilities or contingent assets**

There were no contingent liabilities or contingent assets as at the date of this interim financial report.

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (Cont'd)**

**A13. Related party transactions**

|  | INDIVIDUAL QUARTER<br>3-MONTH ENDED |                                     | CUMULATIVE QUARTER<br>PERIOD-TO-DATE |                      |
|--|-------------------------------------|-------------------------------------|--------------------------------------|----------------------|
|  | 30.09.2024<br>RM'000                | 30.09.2023 <sup>(1)</sup><br>RM'000 | 30.09.2024<br>RM'000                 | 30.09.2023<br>RM'000 |
| Rental payment to a connected person of Directors of the Group | 31                                  | N/A                                 | 122                                  | 122                  |

**Notes:**

- (1) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

**A14. Capital commitments**

Save as disclosed below, there were no material commitments as at 30 September 2024.

**RM'000**

**Approved and contracted for:**

- Purchase and installation of roof-top solar photovoltaic ("PV") system 764

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS**

**B1. Review of financial performance**

|         | <b>INDIVIDUAL QUARTER</b> |                                 | <b>CUMULATIVE QUARTER</b> |                   |
|---------|---------------------------|---------------------------------|---------------------------|-------------------|
|         | <b>30.09.2024</b>         | <b>30.09.2023<sup>(1)</sup></b> | <b>30.09.2024</b>         | <b>30.09.2023</b> |
|         | <b>Unaudited</b>          | <b>Unaudited</b>                | <b>Unaudited</b>          | <b>Audited</b>    |
|         | <b>RM'000</b>             | <b>RM'000</b>                   | <b>RM'000</b>             | <b>RM'000</b>     |
| Revenue | 29,303                    | N/A                             | 110,749                   | 92,426            |
| PBT     | 6,646                     | N/A                             | 20,878                    | 14,485            |
| PAT     | 5,351                     | N/A                             | 17,031                    | 12,199            |

**Notes:**

- (1) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

**Individual quarter ended 30 September 2024 vs 30 September 2023**

The Group recorded revenue of RM29.30 million for the current financial quarter under review.

The Group's revenue was principally derived from the manufacturing segment, contributing approximately 75.11% of the total revenue for the current financial quarter ended 30 September 2024. The Malaysian market remains the largest market contributing to the Group's revenue accounting for approximately 35.84% of the total revenue for the current financial quarter ended 30 September 2024.

The Group registered a PBT of RM6.65 million and PAT of RM5.35 million in the current financial quarter under review.

**Cumulative quarter ended 30 September 2024 vs 30 September 2023**

The Group recorded revenue increased by RM18.32 million or 19.82%, from RM92.43 million to RM110.75 million, mainly due to higher revenue recorded for the manufacturing segment which contributed approximately 79.22% and engineering services segment which contributed approximately 6.52% of the total revenue, respectively, was however partially offset by lower revenue recorded for the trading segment, for the cumulative quarter ended 30 September under review.

The Group's PBT increased by RM6.39 million or 44.14%, from RM14.49 million to RM20.88 million, mainly due to higher revenue recorded from the manufacturing and engineering services segments, for the cumulative quarter ended 30 September under review.

The Group's PAT increased by RM4.83 million or 39.61% from RM12.20 million to RM17.03 million, is in tandem to higher PBT recorded by our manufacturing and engineering services segments, for the cumulative quarter ended 30 September under review.

**B2. Comparison with immediate preceding quarter's results**

There are no comparative figures for the immediate preceding quarter as this is the first interim financial report on the unaudited condensed combined financial results announced by the Company.

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)**

**B3. Prospects of the Group**

We remain optimistic and positive on the outlook of the Group, which are driven by the following:-

The industrial automation and renewable energy sectors are poised for significant growth globally, driven by increasing demand for efficiency, sustainability, and innovation across industries. As businesses continue to modernise, there is a heightened focus on integrating advanced technologies such as process automation, IoT-enabled systems, and energy-efficient solutions. This trend is particularly strong in industries like oil and gas, food manufacturing, and utilities, where operational excellence and resource optimisation are critical.

In the renewable energy space, the push for decarbonisation has accelerated the adoption of solar PV systems and other green technologies. Governments worldwide are implementing supportive policies, offering subsidies, and setting ambitious renewable energy targets, creating vast opportunities for companies in this domain. The industrial explosion-proof (Ex) solar PV systems market, for instance, is expected to grow substantially as industries prioritise safety and sustainability.

Additionally, Asia-Pacific stands out as a key growth region due to rapid industrialization, urbanization, and a focus on clean energy transitions. Emerging markets within the region are embracing industrial automation at an unprecedented pace to address labour shortages and improve production scalability. This expansion aligns with global shifts toward Industry 4.0, where digital transformation and intelligent manufacturing are at the forefront.

As industries continue to navigate challenges such as energy security and environmental regulations, the demand for cutting-edge automation solutions and sustainable energy systems is expected to rise sharply. Companies that combine innovation, scalability, and customer-centric solutions are well-positioned to capitalise on these trends, driving growth and creating value for stakeholders in the years ahead.

**B4. Variance of actual profits from profit forecast**

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

**B5. Income tax expense**

|                          | <b>INDIVIDUAL QUARTER<br/>3-MONTH ENDED</b> |                                 | <b>CUMULATIVE QUARTER<br/>PERIOD-TO-DATE</b> |                   |
|--------------------------|---|---------------------------------|--|-------------------|
|                          | <b>30.09.2024</b>                           | <b>30.09.2023<sup>(1)</sup></b> | <b>30.09.2024</b>                            | <b>30.09.2023</b> |
|                          | <b>RM'000</b>                               | <b>RM'000</b>                   | <b>RM'000</b>                                | <b>RM'000</b>     |
| Income tax expense       | 1,295                                       | N/A                             | 3,847  | 2,286             |
| <b>Total tax expense</b> | <b>1,295</b>                                | <b>N/A</b>                      | <b>3,847</b>                                 | <b>2,286</b>      |
| Effective tax rate (%)   | 19.48                                       | N/A                             | 18.43  | 15.78             |
| Statutory tax rate (%)   | 24.00                                       | N/A                             | 24.00  | 24.00             |

**Notes:**

- (1) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter available as no interim financial report was prepared for the comparative for the comparative financial period concerned.

N/A – Not applicable

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)**

**B5. Income tax expense (Cont'd)**

For both individual and cumulative quarter under review, our effective tax rate was 19.48% and 18.43%, respectively, which were lower than the statutory tax rate of Malaysia of 24.00%, was mainly attributed to claimable allowances, effect of lower tax rate for the first RM150,000 at 15% and the next RM150,001 to RM600,000 at 17% and effect of different tax rates of our foreign subsidiaries, was partially offset by non-deductible tax expenses .

**B6. Status of corporate proposals**

On 20 March 2024, the Company entered into a share sale agreement with SESB vendors to acquire the entire equity interest in SESB comprising 2,000,000 ordinary shares in SESB for a purchase consideration of RM42,781,838 which was satisfied via the issuance of 750,558,561 new Shares to SESB vendors at an issue price of RM0.0570 per Share. The acquisition of SESB was completed on 28 October 2024. Thereafter, SESB became the wholly-owned subsidiary of the Company.

On 9 December 2024, the Company issued its Prospectus in relation to the IPO in conjunction with the listing of the Company on the ACE Market of Bursa Securities ("**Listing**"), the Company proposes to undertake the IPO comprising:

(i) public issue of 250,200,000 new ordinary shares in the Company ("**Public Issue**") allocated in the following manner:-

- 50,040,000 new Shares available for application by the Malaysian Public;
- 50,040,000 new Shares available for application by the Eligible Persons;
- 25,020,000 new Shares by way of private placement to selected investors; and
- 125,100,000 new Shares by way of private placement to identified Bumiputera investors approved by Ministry of International Trade and Industry, Malaysia.

and

(ii) offer for sale of 50,040,000 existing Shares by way of private placement to selected investors.

at an issue price of RM0.28 per Share.

The Listing is still pending completion as the Company is expected to be listed on the ACE Market of Bursa Securities on 8 January 2025.

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)**

**B7. Utilisation of proceeds from the Public Issue**

The gross proceeds from the Public Issue of RM70.06 million shall be utilised in the following manner:

| Details of utilisation of proceeds                                    | Proposed utilisation RM'000 | Percentage of utilisation % | Actual utilisation RM'000 | Balance to be utilised RM'000 | Estimated timeframe for utilisation from the Listing Date <sup>(1)</sup> |
|---|-----------------------------|-----------------------------|---------------------------|-------------------------------|--|
| Expansion of fabrication facility, storage, office and new R&D centre | 28,000                      | 39.97                       | -                         | 28,000                        | Within 36 months   |
| Purchase of machineries, equipment, and software                      | 2,200                       | 3.14                        | -                         | 2,200                         | Within 36 months   |
| Setting up a dedicated R&D centre                                     | 1,480                       | 2.11                        | -                         | 1,480                         | Within 36 months   |
| Business expansion  | 4,030                       | 5.75                        | -                         | 4,030                         | Within 36 months   |
| Repayment of borrowing  | 15,000                      | 21.41                       | -                         | 15,000                        | Within 12 months   |
| Working capital   | 13,346                      | 19.05                       | -                         | 13,346                        | Within 24 months   |
| Estimated listing expenses  | 6,000                       | 8.57                        | -                         | 6,000                         | Within 1 month   |
|   | <b>70,056</b>               | <b>100.00</b>               | <b>-</b>                  | <b>70,056</b>                 |  |

**Note:**

- (1) The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company. As at the date of this interim report, the IPO is pending completion and hence, there is no proceeds to be utilised by the Group yet.

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)**

**B8. Borrowings and lease liabilities**

|                             | Unaudited<br>As at<br>30.09.2024<br>RM'000 | Audited<br>As at<br>30.09.2023<br>RM'000 |
|-----------------------------|--|--|
| <b>Current</b>              |  |  |
| <b><u>Secured</u></b>       |  |  |
| – Term loans                | 2,020                                      | 1,416                                    |
| – Bankers' acceptance       | 6,664                                      | 6,762                                    |
| – Hire purchase liabilities | 339  | 473                                      |
|                             | <u>9,023</u>                               | <u>8,651</u>                             |
| <b><u>Unsecured</u></b>     |  |  |
| – Lease liabilities         | 127  | 310                                      |
| Total short-term borrowings | <u>9,150</u>                               | <u>8,961</u>                             |
| <b>Non-current</b>          |  |  |
| <b><u>Secured</u></b>       |  |  |
| – Term loans                | 25,536                                     | 12,835                                   |
| – Hire purchase liabilities | 371  | 302                                      |
|                             | <u>25,907</u>                              | <u>13,137</u>                            |
| <b><u>Unsecured</u></b>     |  |  |
| – Lease liabilities         | 4  | 135                                      |
| Total long-term borrowings  | <u>25,911</u>                              | <u>13,272</u>                            |
| <b>Total borrowings</b>     | <u><b>35,061</b></u>                       | <u><b>22,233</b></u>                     |

**B9. Material litigations**

Save as disclosed below, there were no material litigations by or against the Group as at 30 September 2024.

**SESB vs Bina Puri Sdn Bhd ("Bina Puri")**

(i) Shah Alam High Court Civil Suit No.: BA-22C-20-06-2021

SESB commenced legal action against Bina Puri to claim for RM1,379,909.20 for additional and/or variation works done and services provided to Bina Puri. SESB and Bina Puri entered into a settlement via Consent Judgment on 21 May 2024. The agreed settlement sum was RM800,000 payable in 8 post-dated cheque instalments starting from June 2024 to January 2025. Default clause allows SESB to claim for full claimed sum of RM1,379,909.20 (less paid amount if any) against Bina Puri in the event of default and failure to remedy default or breach of terms in Consent Judgment. Cheque dated 15 June 2024 was dishonoured. Notice to Remedy issued but breach was not remedied within 14 days. Total payment received after the Consent Judgment was RM200,000 on a without prejudice basis.

(ii) Shah Alam High Court Execution No.: BA-37G-105-07-2024

SESB commenced garnishees proceedings against Bina Puri to recover a sum of RM1,179,909.20 (i.e. RM1,379,909.20 - RM200,000). Only 2 banks were found to be holding account for Bina Puri and had balance namely Alliance Bank Malaysia Berhad with balance of RM35,172.73 and Ambank (M) Berhad with balance of RM2,740.98. On 12 November 2024, the Shah Alam High Court granted absolute garnishee order directing these banks to pay SESB the said balance sums in Bina Puri's accounts. The absolute garnishee order also directs Bina Puri to pay additional costs of RM1,000 and allocatur of RM40 to SESB for the garnishee proceedings. The remaining outstanding amount as at to-date is RM1,143,035.49.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)**

**B9. Material litigations (Cont'd)**

(iii) Statutory winding-up notice

SESB issued a Statutory Winding-Up Notice under Sections 465 and 466 of the Companies Act 2016, dated 29 November 2024 to Bina Puri demanding for the RM1,143,035.49 to be settled within 21 days from the date of receipt of the notice. The notice was acknowledged receipt by Bina Puri on 2 December 2024.

**B10. Dividends**

No dividend was proposed by the Board of Directors for the current financial quarter under review.

**B11. EPS**

The basic and diluted EPS for the current financial quarter under review and financial period-to-date are computed as follows:

|  | <b>INDIVIDUAL QUARTER<br/>3-MONTH ENDED</b> |                                 | <b>CUMULATIVE QUARTER<br/>PERIOD-TO-DATE</b> |                   |
|--|---|---------------------------------|--|-------------------|
|  | <b>30.09.2024</b>                           | <b>30.09.2023<sup>(1)</sup></b> | <b>30.09.2024</b>                            | <b>30.09.2023</b> |
| Profit attributable to ordinary owners of the Company (RM'000) | 5,181                                       | N/A                             | 16,851                                       | 11,948            |
| Weighted average number of ordinary shares ('000)              | 750,600                                     | N/A                             | 750,600                                      | 750,600           |
| Basic EPS (sen) <sup>(2)</sup>                                 | 0.69  | N/A                             | 2.25   | 1.59              |
| Diluted EPS (sen) <sup>(3)</sup>                               | 0.69  | N/A                             | 2.25   | 1.59              |

**Notes:**

- (1) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter available as no interim financial report was prepared for the comparative financial period concerned.
- (2) Basic EPS is calculated based on the Company's enlarged share capital of 750,600,000 ordinary shares upon completion of the acquisition of SESB but before the IPO.
- (3) The diluted EPS of the Company is equivalent to the basic EPS as the Company does not have any convertible options at the end of the reporting period.

N/A – Not applicable

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)**

**B12. Notes to the Condensed Combined Statements of Profit or Loss and Other Comprehensive Income**

The following items have been charged/(credited) in arriving at the profit before taxation for the current financial quarter and the profit before taxation for the financial period-to-date:-

|   | <b>INDIVIDUAL QUARTER<br/>3-MONTH ENDED</b> |  | <b>CUMULATIVE QUARTER<br/>PERIOD-TO-DATE</b> |                              |
|---|---|--|--|------------------------------|
|   | <b>30.09.2024<br/>RM'000</b>                | <b>30.09.2023<sup>(1)</sup><br/>RM'000</b> | <b>30.09.2024<br/>RM'000</b>                 | <b>30.09.2023<br/>RM'000</b> |
| <b>Profit before tax is arrived at after charging/(crediting):</b>                      |   |  |  |                              |
| Auditors' remunerations:  |   |  |  |                              |
| Audit fees  |   |  |  |                              |
| - KPMG PLT  | 78  | N/A  | 215  | 181                          |
| - Other auditors  | 156   | N/A  | 181  | 116                          |
| Non-audit fees  |   |  |  |                              |
| - Local affiliate of KPMG PLT   | 39  | N/A  | 85   | 38                           |
| <b>Material expenses/(income)</b>   |   |  |  |                              |
| Depreciation of property, plant and equipment   | 231   | N/A  | 888  | 891                          |
| Depreciation of right-of-use assets   | 151   | N/A  | 619  | 765                          |
| Inventories written down to net realisable value/(Reversal of inventories written down) | 156   | N/A  | 274  | (486)                        |
| Amortisation of government grants   | (122)                                       | N/A  | (321)  | (188)                        |
| Government grants income  | (57)  | N/A  | (65)   | (288)                        |
| Gain on disposal of right-of-use assets   | -   | N/A  | (54)   | (31)                         |
| (Gain)/Loss on foreign exchange   |   |  |  |                              |
| - Realised  | (137)                                       | N/A  | 3  | 115                          |
| - Unrealised  | (49)  | N/A  | (81)   | 142                          |
| Personnel expenses (including key management personnel)                                 |   |  |  |                              |
| - Contributions to state plans  | 705   | N/A  | 1,950  | 1,862                        |
| - Wages, salaries and others  | 7,392                                       | N/A  | 18,414                                       | 15,821                       |
| <b>Expenses arising from leases</b>   |   |  |  |                              |
| Expenses relating to short-term leases  | 110   | N/A  | 240  | 36                           |
| Expenses relating to leases of low-value asset  | 1   | N/A  | 3  | -                            |

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)**

**B12. Notes to the Condensed Combined Statements of Profit or Loss and Other Comprehensive Income (Cont'd)**

|  | INDIVIDUAL QUARTER<br>3-MONTH ENDED |                                     | CUMULATIVE QUARTER<br>PERIOD-TO-DATE |                      |
|--|-------------------------------------|-------------------------------------|--------------------------------------|----------------------|
|  | 30.09.2024<br>RM'000                | 30.09.2023 <sup>(1)</sup><br>RM'000 | 30.09.2024<br>RM'000                 | 30.09.2023<br>RM'000 |
| Profit before tax is arrived at after charging/ (crediting): (Cont'd)          |                                     |                                     |                                      |                      |
| Net (reversal)/loss on impairment of financial instruments and contract assets |                                     |                                     |                                      |                      |
| Financial assets at amortised cost   | 403                                 | N/A                                 | (371)                                | 110                  |

**Notes:**

- (1) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

**B13. Authorisation for issue**

This interim financial report was authorised for issue by the Board on 30 December 2024.