

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED
31 DECEMBER 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME ⁽¹⁾**

	Individual Quarter		Cumulative Quarter	
	31.12.2024	31.12.2023 ⁽²⁾	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	28,866	N/A	103,433	94,891
Cost of sales	(19,904)	N/A	(75,303)	(67,388)
Gross profit	8,962	N/A	28,130	27,503
Other income	34	N/A	256	111
Allowance for expected credit losses on receivables	-	N/A	(155)	(5)
Other operating expenses	(5,974) ⁽³⁾	N/A	(15,471) ⁽³⁾	(11,066)
Research & development expenditure	-	N/A	(1,045)	(1,604)
Operating profit	3,022	N/A	11,715	14,939
Finance costs	(130)	N/A	(532)	(563)
Finance income	245	N/A	620	362
Profit before tax	3,137	N/A	11,803	14,738
Tax expense	(1,191)	N/A	(2,903)	(3,141)
Profit after tax (" PAT ")/ Total comprehensive income	1,946	N/A	8,900	11,597
PAT attributable to:				
- Owners of the Company	1,946	N/A	8,900	11,597
Total comprehensive income attributable to:				
- Owners of the Company	1,946	N/A	8,900	11,597
Earnings per ordinary share (" EPS ") attributable to owners of the Company:				
- Basic EPS (sen) ⁽⁴⁾	0.34	N/A	1.54	2.00
- Diluted EPS (sen) ⁽⁴⁾	0.33	N/A	1.53	N/A

Notes:

N/A Not applicable.

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 9 September 2024 as disclosed in the prospectus of the Company dated 9 October 2024 ("**Prospectus**") in relation to the Company's initial public offering ("**IPO**") and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding corresponding quarter are presented as this is the second interim financial report announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**").
- (3) Included one-off listing expenses of RM2.67 million for the individual quarter and RM2.70 million for the financial year charged out to profit or loss upon listing on 6 November 2024.
- (4) Please refer to Note B11 of this interim financial report for further details.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Note	Unaudited As at 31.12.2024 RM'000	Audited As at 31.12.2023 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		17,068	17,751
Intangible assets		6,264	4,648
Right-of-use assets		982	938
Trade receivables		-	1,383
Contract assets		-	844
Total non-current assets		24,314	25,564
Current assets			
Inventories		6,605	3,355
Trade receivables		31,550	26,350
Other receivables, deposits and prepayments		2,868	3,173
Contract assets		5,793	4,276
Contract cost		1,504	741
Current tax assets		218	178
Fixed deposits with licensed banks		8,277	9,976
Cash and bank balances		38,458	5,945
Total current assets		95,273	53,994
TOTAL ASSETS		119,587	79,558
EQUITY AND LIABILITIES			
Share capital		83,520	*
Invested equity		-	9,660
Merger reserve		(44,340)	-
Share option reserve		95	-
Retained profits		58,256	49,356
TOTAL EQUITY		97,531	59,016
Non-current liabilities			
Deferred income		*	1
Borrowings	B8	10,287	11,022
Lease liabilities		157	202
Deferred tax liabilities		1,704	1,609
Total non-current liabilities		12,148	12,834
Current liabilities			
Trade payables		1,447	888
Other payables and accruals		2,453	2,943
Contract liabilities		4,165	2,662
Borrowings	B8	727	803
Lease liabilities		314	193
Deferred income		1	1
Current tax liabilities		801	218
Total current liabilities		9,908	7,708
TOTAL LIABILITIES		22,056	20,542
TOTAL EQUITY AND LIABILITIES		119,587	79,558
Number of ordinary shares in issue ('000) ⁽²⁾		650,000	#
Net assets per share (RM) ⁽²⁾		0.15	N/A

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾ (cont'd)

Notes:

* Amount is less than RM1,000.

Represents 2 ordinary shares.

N/A Not applicable.

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 9 September 2024 as disclosed in the Prospectus dated 9 October 2024 and the accompanying explanatory notes attached to this interim financial report.

(2) Net assets per ordinary share is calculated based on the Company's issued share capital of 650,000,000 ordinary shares as at 31 December 2024.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾⁽²⁾

	<----- Non-distributable ----->				Distributable	
	Share capital RM'000	Invested equity RM'000	Merger reserve RM'000	Share option reserve RM'000	Retained profits RM'000	Total equity RM'000
Balance as at 01.01.2024	*	9,660	-	-	49,356	59,016
Profit for the financial year	-	-	-	-	8,900	8,900
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	8,900	8,900
Transactions with owners						
Issuance of share capital ⁽³⁾	29,520	-	-	-	-	29,520
Share options granted under Long Term Incentive Plan ("LTIP")	-	-	-	95	-	95
Acquisition of subsidiaries in business combination under common control	54,000	(9,660)	(44,340)	-	-	-
Total transactions with owners	83,520	(9,660)	(44,340)	95	-	29,615
Balance as at 31.12.2024	83,520	-	(44,340)	95	58,256	97,531

Notes:

* Represents RM2.

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 9 September 2024 as disclosed in the Prospectus dated 9 October 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding corresponding quarter are presented as this is the second interim financial report announced by the Company in compliance with the Listing Requirements.
- (3) Included listing expenses of RM1.30 million allocated to the share capital account as these are directly attributable expenses relating to issuance of the new shares in relation to the IPO.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

	Unaudited Current Year-to-date 31.12.2024 RM'000	Audited Preceding Year-to-date 31.12.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	11,803	14,738
Adjustments for:		
Accretion of interest on lease liabilities	25	26
Allowance of expected credit losses	155	5
Amortisation of intangible assets	719	590
Deferred income	-	(1)
Depreciation of property, plant and equipment	1,574	1,446
Depreciation of right-of-use assets	273	275
Fair value loss on other investments, net	-	27
Interest expense	532	537
Interest income	(620)	(362)
Gain on disposal of property, plant and equipment	-	*
Gain on lease modification	-	*
Share option granted under LTIP	95	-
Unrealised loss on foreign exchange	162	72
Unwinding discounts	(30)	283
Operating profit before working capital changes	14,688	17,636
Changes in:		
Inventories	(3,250)	1,589
Receivables	(3,586)	(2,090)
Payables	57	342
Contract assets	(673)	(840)
Contract costs	(763)	8
Contract liabilities	1,503	(1,868)
Cash generated from operations	7,976	14,777
Interest paid	(507)	(537)
Interest received	620	362
Income tax paid	(2,265)	(1,496)
Income tax refunded	-	650
Net cash from operating activities	5,824	13,756
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to intangible assets	(2,335)	(1,660)
Net changes in other investments	-	325
Placement of fixed deposits with licensed banks	(910)	(625)
Purchase of property, plant and equipment	(891)	(1,373)
Net cash used in investing activities	(4,136)	(3,333)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	-	(10,000)
Net changes in hire purchase loans	(221)	(203)
Net changes in term loans	(480)	(787)
Payment of lease liabilities	(280)	(285)
(Payment)/Drawdown of promissory note	(110)	110
Net proceeds from issuance of ordinary shares pursuant to IPO	29,520	-
Net cash from/(used in) financing activities	28,429	(11,165)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	30,117	(742)
Effect of foreign exchange rate changes	(201)	(38)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	14,195	14,975
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	44,111	14,195

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾ (cont'd)

	Unaudited Current Year-to-date 31.12.2024 RM'000	Audited Preceding Year-to-date 31.12.2023 RM'000
The cash and cash equivalents are represented by:		
Fixed deposits with licensed banks	8,277	9,976
Cash and bank balances	38,458	5,945
	<u>46,735</u>	<u>15,921</u>
Less: Fixed deposits pledged to licensed banks and with maturity more than 3 months	(2,624)	(1,726)
	<u>44,111</u>	<u>14,195</u>

Notes:

* Amount is less than RM1,000.

N/A Not applicable.

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 9 September 2024 as disclosed in the Prospectus dated 9 October 2024 and the accompanying explanatory notes attached to this interim financial report.

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PART A - EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of Preparation

The interim financial report of 3REN Berhad (“**Company**”) and its subsidiaries (collectively, the “**Group**”) are unaudited and have 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 the Listing Requirements. This is the Company’s second interim financial report on the Group’s unaudited condensed consolidated financial results for the fourth (4th) quarter and financial year ended 31 December 2024 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding quarter. The interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

A2 Basis of Accounting

The material accounting policy information and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Accountants’ Report dated 9 September 2024 as disclosed in the Prospectus dated 9 October 2024 except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are yet to be effective for the Group.

Amendments to MFRSs

The Group has adopted the following applicable amendments to MFRSs for the current financial period:

Amendment to MFRS 16	- Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	- Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101	- Non-Current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	- Supplier Finance Arrangements

Adoption of the above MFRSs did not have any material effect on the financial performance or position of the Group.

Amendments to MFRSs that have been issued, but yet to be effective

The Group has not adopted the following amendments to MFRSs that have been issued, but has yet to be effective:

Title		Effective Date
Amendments to MFRS 121	- Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	- Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7	- Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments that are part of Annual Improvement - Volume 11	- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
	- 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 Flow	
MFRS 18	- Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	- Subsidiaries without Public Accountability: Disclosure	1 January 2027
Amendments to MFRS 10 and MFRS 128	- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

A2 Basis of Accounting (cont'd)

The Group is in the process of assessing the impact of implementing these MFRSs and Amendments to the MFRSs, since the effects would only be observable for future financial years.

A3 Auditors' report on preceding annual financial statements

The Company was incorporated under the Companies Act, 2016 on 5 April 2021. The Company completed the acquisition of its subsidiaries on 23 July 2024 and 30 July 2024 respectively as discussed in Note A7 below.

The audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2023 were not subject to any audit qualification.

A4 Seasonal or Cyclicity of Operations

The business operations of the Group were not subject to any significant seasonal or cyclical factors.

A5 Items of Unusual Nature, Size or Incidence

There were no items of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows during the current quarter and current year-to-date.

A6 Material Changes in Accounting Estimates

There were no material changes in accounting estimates for the current quarter and current year-to-date.

A7 Debt and Equity Securities

Save as disclosed below, there was no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial year under review.

- (a) Share sale agreement ("**SSA**") dated 20 March 2024 entered into between our Company and Lee Chee Hoo, Koh Dim Kuan, Low Chee Onn and Malaysian Technology Development Corporation Sdn. Bhd. ("**MTDC**") to acquire the entire equity interest in Sophic Automation Sdn. Bhd. ("**Sophic Automation**") comprising 571,700 ordinary shares for a purchase consideration of RM49,000,000. The purchase consideration was satisfied by the issuance of 489,999,998 new ordinary shares in the Company at an issue price of RM0.10 per share, which was completed on 23 July 2024.
- (b) SSA dated 20 March 2024 entered into between our Company and Sophic Automation and Liew Chee Kin to acquire the entire equity interest in Sophic MSC Sdn. Bhd. comprising 100,000 ordinary shares for a purchase consideration of RM4,000,000. The purchase consideration was satisfied by the issuance of 40,000,000 new ordinary shares in the Company at an issue price of RM0.10 per share, which was completed on 30 July 2024.
- (c) SSA dated 20 March 2024 entered into between our Company and Sophic Automation to acquire the entire equity interest in Pinkypye Sdn. Bhd. comprising 25 ordinary shares for a purchase consideration of RM1,000,000. The purchase consideration was satisfied by the issuance of 10,000,000 new ordinary shares in the Company at an issue price of RM0.10 per share, which was completed on 30 July 2024.

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A7 Debt and Equity Securities (cont'd)

In conjunction with the Company's listing on the ACE Market of Bursa Securities ("IPO"), the Company issued its Prospectus dated 9 October 2024 entailing the following:-

- (a) Public issue of 110,000,000 new ordinary shares ("Issue Shares") at an issue price of RM0.28 per share in the following manner:
 - (i) 32,500,000 Issue Shares for application by the Malaysian public;
 - (ii) 30,000,000 Issue Shares for application by the eligible Directors, employees and business associates who have contributed to the success of the Group;
 - (iii) 3,800,000 Issue Shares by way of private placement to Bumiputera investors approved by the Ministry of Investment, Trade and Industry of Malaysia ("MITI"); and
 - (iv) 43,700,000 Issue Shares by way of private placement to selected investors.
- (b) Offer for sale of 45,000,000 existing shares at an offer price of RM0.28 per share by way of private placement to identified Bumiputera investors approved by the MITI.

The Company was successfully listed on the ACE Market of Bursa Securities on 6 November 2024.

A8 Dividends Paid

Save as disclosed in Note B10, the Company did not declare or pay any dividend for the financial year ended 31 December 2024.

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A9 Segmental Information

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

Reportable segments	Activities
Product engineering services	- Product engineering services
Manufacturing operating solutions and services	- Engineering support services for IC assembly and testing - Design, development and sale of digitalised solutions - Design, development and sale of automated equipment

Management monitors its business units separately up to segment results for the purpose of making decisions about performance assessment. Segment assets and liabilities information are not presented to the decision makers by management as management does not distinguish assets and liabilities into the two operating segments. Hence, no disclosure is made on segment assets and liabilities.

	Product engineering services	Manufacturing operating solutions and services	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Unaudited Individual quarter				
Revenue	8,245	20,821	(200)	28,866
Segment results	2,265	3,569	(61)	5,773
Finance costs				(130)
Finance income				245
Loss arising from non-reportable segment *				(2,751)
Profit before tax				3,137
Tax expense				(1,191)
Profit for the financial period				1,946
Unaudited Cumulative quarter				
Revenue	33,716	69,934	(217)	103,433
Segment results	7,963	6,784	(63)	14,684
Finance costs				(532)
Finance income				620
Loss arising from non-reportable segment *				(2,969)
Profit before tax				11,803
Tax expense				(2,903)
Profit for the financial year				8,900

Note:

* Non-reportable segment comprises the results of the Company, being an investment holding company.

Revenue by geographical segments

	Individual Quarter		Cumulative Quarter	
	31.12.2024	31.12.2023 ⁽¹⁾	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Malaysia	24,087	N/A	93,615	89,106
Singapore	1,898	N/A	4,638	2,280
Philippines	2,758	N/A	4,366	1,198
Others	123	N/A	814	2,307
	28,866	N/A	103,433	94,891

A9 Segmental Information (cont'd)

Note:

- (1) No comparative figures for the preceding corresponding quarter are presented as this is the second interim financial report announced by the Company in compliance with the Listing Requirements.

The Group's non-current assets are entirely located in Malaysia.

A10 Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment in the current quarter and current year-to-date.

A11 Material Subsequent Events

Save for the completion of the acquisitions and the corporate proposal as disclosed in A7 above, there were no other material events after the end of the current quarter that have not been reflected in this interim financial report.

A12 Changes in the Composition of the Group

Save as disclosed in Note A7, there were no other material changes in the composition of the Group for the current quarter and current year-to-date.

A13 Contingent Assets and Contingent Liabilities

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

A14 Capital Commitment

There is no material commitment for capital expenditure, which upon becoming enforceable, may have a material effect on the Group's financial position as at the date of this interim financial report.

A15 Significant Related Party Transactions

There were no related party transactions entered into with related parties in the current quarter.

A16 Derivative Financial Instruments

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

A17 Status Update on Memorandum of Understanding

On 9 December 2024, the Company announced that its wholly owned subsidiary, Sophic Automation Sdn. Bhd. had entered into a Memorandum of Understanding ("MOU") with Invest-in-Penang Berhad. There is no material development on the status of this MOU since then.

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PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS

B1 Review of Performance

	Individual Quarter		Cumulative Quarter	
	31.12.2024	31.12.2023 ⁽¹⁾	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	28,866	N/A	103,433	94,891
Gross profit ("GP")	8,962	N/A	28,130	27,503
Profit before tax ("PBT")	3,137	N/A	11,803	14,738
Profit after tax ("PAT")	1,946	N/A	8,900	11,597

Financial performance excluding one-off expenses:

	Individual Quarter		Cumulative Quarter	
	31.12.2024	31.12.2023 ⁽¹⁾	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
PBT	3,137	N/A	11,803	14,738
Add:				
IPO listing expenses	2,668	N/A	2,697	-
Normalized PBT	5,805	N/A	14,500	14,738
Tax expenses	(1,191)	N/A	(2,903)	(3,141)
Normalized PAT	4,614	N/A	11,597	11,597
GP margin	31.05%	N/A	27.20%	28.98%
PBT margin	10.87%	N/A	11.41%	15.53%
PAT margin	6.74%	N/A	8.60%	12.22%
Normalized PBT margin	20.11%	N/A	14.02%	15.53%
Normalized PAT margin	15.98%	N/A	11.21%	12.22%

Comparison with preceding year corresponding quarter's results

There are no comparative figures for the preceding year corresponding quarter's results as this is the second interim financial report on the Company's unaudited interim financial report for the current quarter ended 31 December 2024 announced in compliance with the Listing Requirements.

Comparison with preceding year corresponding year-to-date results

The Group's revenue increased by approximately RM8.54 million or 9.00% from RM94.89 million for the financial year ended 31 December 2023 ("**FYE 2023**") to RM103.43 million for the financial year ended 31 December 2024 ("**FYE 2024**"). The increase in revenue was mainly due to higher sales from the product engineering services which recorded a growth of approximately RM4.04 million or 13.61%, engineering support services which recorded a growth of approximately RM3.53 million or 12.28% and the design, development and sale of automated equipment which recorded a growth of RM1.39 million or 12.36%, partially offset by lower sales from the design, development and sale of digitalized solutions.

Our revenue was mainly derived from customers located in Malaysia, of which majority is denominated in Malaysian Ringgit.

The Group's gross profit margin decreased slightly from 28.98% for FYE 2023 to 27.20% for FYE 2024 mainly due to lower GP margin from the automation solutions, offset by higher margins from the engineering services delivered during the financial year.

The Group's PBT decreased by RM2.94 million or 19.95% from RM14.74 million for FYE 2023 to RM11.80 million for FYE 2024. The decrease in PBT was mainly due to listing expenses of approximately RM2.70 million charged out to profit or loss upon listing of the Company on the ACE Market of Bursa Securities on 6 November 2024, and higher staff cost and welfare as well as marketing and logistics expenses for overseas business support. To provide a clearer view on the Group's business

performance, the Group's normalized PBT stood at RM14.50 million, reflecting a decrease of RM0.24 million or 1.61% from the PBT for FYE 2023.

The Group's PAT decreased by RM2.70 million or 23.26% mainly due to listing expenses charged out during the current financial year. To provide a clearer view on the Group's business performance, the Group's normalized PAT stood at RM11.60 million.

B2 Comparison with Immediate Preceding Quarter

	Current Quarter 31.12.2024 RM'000	Immediate Preceding Quarter 30.09.2024 RM'000	Changes %
Revenue	28,866	29,049	(0.63)
Profit before tax ("PBT")	3,137	2,794	12.28
Profit after tax ("PAT")	1,946	2,175	(10.53)

The Group's revenue remained relatively stable, with a slight decrease of RM0.18 million or 0.63% from the preceding quarter ended 30 September 2024.

The Group's PBT improved by 12.28% mainly due to delivery of projects with higher value in the current quarter, however the PAT decreased by 10.53% due to listing expenses of approximately RM2.67 million which were non-deductible for tax purposes.

B3 Prospects and Outlook

The Group is focusing its efforts on diversification and growth of customer base and continue to expand its business by securing orders from existing and new customers. Our first Delivery Centre has been in operation since Q4 FY2024 to deliver product engineering services to a fabless semiconductor company.

The Group will continuously grow its market share in automation solutions and engineering services. Our Group's regional expansion will also be facilitated by the establishment of a new office in Singapore targeted to be completed by the end of Q2 FY2025.

As talents are our key assets to drive innovation and generate more economic value, the Group will continue to hire more talents for product engineering services and research & development ("R&D"). In addition, the Group will continue to invest in R&D initiatives to offer new and enhanced automation solutions to a wide range of manufacturing industries such as semiconductor and electronics, food and beverage, medical device and automotive.

Premised on the above, we remain optimistic of the prospects and outlook for the Group.

B4 Variance of Actual Profit Forecast

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

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	31.12.2024 RM'000	31.12.2023 ⁽¹⁾ RM'000	31.12.2024 RM'000	31.12.2023 RM'000
In respect of current period:				
Tax expense	1,191	N/A	2,903	3,141
Current tax:				
Effective tax rate (%)	37.97	N/A	24.60	21.31
Statutory tax rate (%)	24.00	N/A	24.00	24.00

B5 Taxation (cont'd)

Notes:

N/A Not applicable.

- (1) No comparative figures for the preceding corresponding quarter are presented as this is the second interim financial report announced by the Company in compliance with the Listing Requirements.

For the current quarter and current year-to-date, the effective tax rates were higher than the statutory tax rate of 24.00% mainly due to listing expenses which were non-deductible for tax purposes.

B6 Status of Corporate Proposals

Save for the IPO as disclosed in Note A7, there were no other corporate proposals announced but not completed as at the date of this interim financial report.

B7 Utilisation of Proceeds from the Public Issue

The gross proceeds of approximately RM30.80 million from the Public Issue are intended to be utilised in the following manner:-

Details of the Use of Proceeds	Estimated Timeframe for Utilisation Upon Listing ⁽¹⁾	Proposed Utilisation RM'000	Actual Utilisation as at 31.12.2024 RM'000	Percentage Utilised %	Deviation	
					RM'000	%
Setting up new Delivery Centres	Within 36 months	7,200	-	-	-	-
Research & development expenditure	Within 24 months	5,100	-	-	-	-
Establishment of new Singapore office	Within 36 months	3,000	-	-	-	-
Repayment of bank borrowings	Within 6 months	7,600	-	-	-	-
Working capital requirements	Within 24 months	3,900	-	-	-	-
Estimated listing expenses	Immediate	4,000	4,000	100.00	-	-
		<u>30,800</u>	<u>4,000</u>			

Note:

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities on 6 November 2024.

B8 Borrowings

	Unaudited As at 31.12.2024 RM'000	Audited As at 31.12.2023 RM'000
Non-current		
Secured		
Hire purchase loans	230	528
Term loans	497	10,494
	<u>727</u>	<u>11,022</u>
Current		
Secured		
Promissory note	-	110
Hire purchase loans	297	220
Term loans	9,990	473
	<u>10,287</u>	<u>803</u>
Total borrowings	<u>11,014</u>	<u>11,825</u>

B9 Material Litigation

As at the date of this interim financial report, there is no material litigation or arbitration by/against the Group, which has a material effect on the financial position of the Group and the Board is not aware of any material proceedings pending or threatened or of any fact likely to give rise to any proceedings.

B10 Dividends

The Board has recommended a Single Tier Interim Dividend of RM0.005 per ordinary share, amounting to approximately RM3.25 million for the financial year ended 31 December 2024, which is to be paid on 28 March 2025 to shareholders of the Company whose names appear in the Record of Depositors on 12 March 2025.

B11 EPS

	Individual Quarter		Cumulative Quarter	
	31.12.2024	31.12.2023 ⁽¹⁾	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Profit attributable to the owners of the Company	1,946	N/A	8,900	11,597
Weighted average number of ordinary shares in issue ('000)	579,286	N/A	579,286	579,286
Basic EPS (sen) ⁽²⁾	0.34	N/A	1.54	2.00
Effect of dilution share options ('000)	3,960	N/A	3,960	N/A
Weighted average number of ordinary shares in issue (Diluted) (unit) ('000)	583,246	N/A	583,246	N/A
Diluted EPS (sen) ⁽³⁾	0.33	N/A	1.53	N/A

Notes:

N/A Not applicable.

- (1) No comparative figures for the preceding corresponding quarter are presented as this is the second interim financial report announced by the Company in compliance with the Listing Requirements.
- (2) Basic EPS is computed based on PAT attributable to owners of the Company divided by the weighted average number of ordinary shares of 579,285,714 ordinary shares.
- (3) Diluted EPS is computed based on PAT attributable to owners of the Company divided by the weighted average number of ordinary shares of 583,246,052 ordinary shares after adjusted for the effects of dilutive potential ordinary shares.

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B12 Notes to the Consolidated Statements of Profit or loss and Other Comprehensive Income

Profit before tax is arrived at after charging/(crediting):-

	Individual Quarter		Cumulative Quarter	
	31.12.2024	31.12.2023 ⁽¹⁾	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible assets	167	N/A	719	589
Depreciation of property, plant and equipment	415	N/A	1,574	1,446
Depreciation of right-of-use assets	76	N/A	273	275
Interest expense	130	N/A	532	563
Interest income	(245)	N/A	(620)	(362)
Realised gain on foreign exchange	(4)	N/A	(4)	(74)
Realised loss on foreign exchange	36	N/A	184	-
Unrealised gain on foreign exchange	(317)	N/A	-	-
Unrealised loss on foreign exchange	-	N/A	162	72

Notes:

N/A Not applicable.

(1) No comparative figures for the preceding corresponding quarter are presented as this is the second interim financial report announced by the Company in compliance with the Listing Requirements.

Save as disclosed above, the other disclosure items pursuant to Note 16 of Appendix 9B of the Listing Requirements are not applicable.

B13 Derivative Financial Instruments

The Group did not enter into any derivatives during the current quarter.

B14 Authorisation for Issue

The interim financial report was authorised for issue by the Board in accordance with a resolution passed by the Board on 21 February 2025.

BY ORDER OF THE BOARD
3REN BERHAD