

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 ⁽¹⁾

	Individual Quarter		Cumulative Quarter	
	30.09.2024 RM'000	30.09.2023 ⁽²⁾ RM'000	30.09.2024 RM'000	30.09.2023 ⁽²⁾ RM'000
Revenue	29,049	N/A	74,567	N/A
Cost of sales	(21,775)	N/A	(55,399)	N/A
Gross profit	7,274	N/A	19,168	N/A
Other income	15	N/A	222	N/A
Allowance for expected credit losses on receivables	-	N/A	(155)	N/A
Other operating expenses	(4,081)	N/A	(9,476)	N/A
Research & development expenditure	(401)	N/A	(1,066)	N/A
Operating profit	2,807	N/A	8,693	N/A
Finance costs	(134)	N/A	(402)	N/A
Finance income	121	N/A	375	N/A
Profit before tax	2,794	N/A	8,666	N/A
Tax expense	(619)	N/A	(1,712)	N/A
Profit after tax ("PAT")/ Total comprehensive income	2,175	N/A	6,954	N/A
PAT attributable to:				
- Owners of the Company	2,175	N/A	6,954	N/A
Total comprehensive income attributable to:				
- Owners of the Company	2,175	N/A	6,954	N/A
Earnings per ordinary share ("EPS") attributable to owners of the Company:				
- Basic EPS (sen) ⁽³⁾	0.40	N/A	1.29	N/A
- Diluted EPS (sen) ⁽⁴⁾	0.33	N/A	1.07	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 period are presented as this is the first 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) Basic EPS is computed based on PAT attributable to owners of the Company divided by the issued share capital of 540,000,000 ordinary shares before the IPO.
- (4) Diluted EPS is computed based on PAT attributable to owners of the Company divided by the issued share capital of 650,000,000 ordinary shares after the IPO. There are no dilutive instruments as at the end of the financial period.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024 ⁽¹⁾

	Note	Unaudited As at 30.09.2024 RM'000	Audited As at 31.12.2023 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		16,869	17,751
Intangible assets		4,841	4,648
Right-of-use assets		1,060	938
Trade receivables		286	1,383
Contract assets		426	844
Total non-current assets		<u>23,482</u>	<u>25,564</u>
Current assets			
Inventories		5,630	3,355
Trade receivables		31,954	26,350
Other receivables, deposits and prepayments		6,891	3,173
Contract assets		4,204	4,276
Contract cost		588	741
Current tax assets		53	178
Fixed deposits with licensed banks		9,427	9,976
Cash and bank balances		5,382	5,945
Total current assets		<u>64,129</u>	<u>53,994</u>
TOTAL ASSETS		<u>87,611</u>	<u>79,558</u>
EQUITY AND LIABILITIES			
Share capital		54,000	*
Invested equity		-	9,660
Merger reserve		(44,340)	-
Retained profits		56,310	49,356
TOTAL EQUITY		<u>65,970</u>	<u>59,016</u>
Non-current liabilities			
Deferred income		*	1
Borrowings	B8	10,477	11,022
Lease liabilities		238	202
Deferred tax liabilities		1,449	1,609
Total non-current liabilities		<u>12,164</u>	<u>12,834</u>
Current liabilities			
Trade payables		1,650	888
Other payables and accruals		2,159	2,943
Contract liabilities		4,628	2,662
Borrowings	B8	719	803
Lease liabilities		320	193
Deferred income		1	1
Current tax liabilities		-	218
Total current liabilities		<u>9,477</u>	<u>7,708</u>
TOTAL LIABILITIES		<u>21,641</u>	<u>20,542</u>
TOTAL EQUITY AND LIABILITIES		<u>87,611</u>	<u>79,558</u>
Number of ordinary shares in issue ('000) ⁽²⁾		540,000	#
Net assets per share (RM) ⁽²⁾		0.12	N/A

[The remainder of this page is intentionally left blank]

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024 ⁽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 540,000,000 ordinary shares before the IPO.

[The remainder of this page is intentionally left blank]

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 ⁽¹⁾⁽²⁾

	<u><----- Non-distributable -----></u>			<u>Distributable</u>	
	Share capital RM'000	Invested equity RM'000	Merger 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 period	-	-	-	6,954	6,954
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	6,954	6,954
<u>Transactions with owners</u>					
Acquisition of subsidiaries in business combination under common control	54,000	(9,660)	(44,340)	-	-
Total transactions with owners	54,000	(9,660)	(44,340)	-	-
Balance as at 30.09.2024	54,000	-	(44,340)	56,310	65,970

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 period are presented as this is the first interim financial report announced by the Company in compliance with the Listing Requirements.

[The remainder of this page is intentionally left blank]

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 ⁽¹⁾

	9-month ended 30 September 2024 RM'000	9-month ended 30 September 2023 ⁽²⁾ RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,666	N/A
Adjustments for:		
Accretion of interest on lease liabilities	19	N/A
Allowance of expected credit losses	155	
Amortisation of intangible assets	552	N/A
Deferred income	(1)	N/A
Depreciation of property, plant and equipment	1,159	N/A
Depreciation of right-of-use assets	197	N/A
Interest expense	383	N/A
Interest income	(81)	N/A
Unrealised loss on foreign exchange	479	N/A
Operating profit before working capital changes	<u>11,528</u>	<u>N/A</u>
Changes in:		
Inventories	(2,275)	N/A
Receivables	(8,520)	N/A
Payables	6	N/A
Contract assets	490	N/A
Contract costs	153	N/A
Contract liabilities	1,966	N/A
Cash generated from operations	<u>3,348</u>	<u>N/A</u>
Interest paid	(402)	N/A
Interest received	375	N/A
Income tax paid	(1,965)	N/A
Net cash from operating activities	<u>1,356</u>	<u>N/A</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to intangible assets	(745)	N/A
Placement of fixed deposits with licensed banks	(949)	N/A
Purchase of property, plant and equipment	(277)	N/A
Net cash used in investing activities	<u>(1,971)</u>	<u>N/A</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net changes in hire purchase loans	(165)	N/A
Net changes in term loans	(354)	N/A
Payment of lease liabilities	(186)	N/A
Payment of promissory note	(110)	N/A
Net cash used in financing activities	<u>(815)</u>	<u>N/A</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS CARRIED FORWARD	(1,430)	N/A
Effect of foreign exchange rate changes	(367)	N/A
CASH AND CASH EQUIVALENT AT BEGINNING OF THE FINANCIAL YEAR	<u>14,195</u>	<u>N/A</u>
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD	<u>12,398</u>	<u>N/A</u>

[The remainder of this page is intentionally left blank]

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 ⁽¹⁾ (cont'd)

	9-month ended 30 September 2024 RM'000	9-month ended 30 September 2023 ⁽²⁾ RM'000
The cash and cash equivalents are represented by:		
Fixed deposits with licensed banks	9,427	N/A
Cash and bank balances	5,382	N/A
	<u>14,809</u>	<u>N/A</u>
Less: Fixed deposits pledged to licensed banks and with maturity more than 3 months	(2,411)	N/A
	<u>12,398</u>	<u>N/A</u>

Notes:

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

[The remainder of this page is intentionally left blank]

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 first interim financial report on the Group’s unaudited condensed consolidated financial results for the third (3rd) quarter ended 30 September 2024 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period. 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 that are part of Annual Improvement - 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 Flow	1 January 2026
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

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 quarter 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 ordinary share of Sophic Automation, 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.

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.

A7 Debt and Equity Securities (cont'd)

- (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 is scheduled to be admitted to the Official List of Bursa Securities and the Company's entire enlarged issued share capital of 650,000,000 ordinary shares shall be listed and quoted on the ACE Market of Bursa Securities on 6 November 2024.

A8 Dividends Paid

The Company did not declare or pay any dividend for the financial period ended 30 September 2024.

[The remainder of this page is intentionally left blank]

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	8,529	20,520	-	29,049
Segment results	1,741	1,170	-	2,911
Finance costs				(134)
Finance income				121
Loss arising from non-reportable segment *				(104)
Profit before tax				2,794
Tax expense				(619)
Profit for the financial period				2,175
Unaudited Cumulative quarter				
Revenue	25,471	49,113	(17)	74,567
Segment results	5,698	3,215	(2)	8,911
Finance costs				(402)
Finance income				375
Loss arising from non-reportable segment *				(218)
Profit before tax				8,666
Tax expense				(1,712)
Profit for the financial period				6,954

Note:

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

Revenue by geographical segments

	Individual Quarter		Cumulative Quarter	
	30.09.2024	30.09.2023 ⁽¹⁾	30.09.2024	30.09.2023 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Malaysia	25,680	N/A	69,528	N/A
Singapore	1,556	N/A	2,740	N/A
Philippines	1,608	N/A	1,608	N/A
Others	205	N/A	691	N/A
	29,049	N/A	74,567	N/A

A9 Segmental Information (cont'd)

Note:

- (1) No comparative figures for the preceding corresponding period are presented as this is the first 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, as disclosed 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 30 September 2024, the Group does not have any derivatives financial instruments.

[The remainder of this page is intentionally left blank]

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

B1 Review of Performance

The Group recorded a revenue of approximately RM29.05 million for the current quarter ended 30 September 2024 (“**Q3 2024**”) and approximately RM74.57 million for the cumulative financial period ended 30 September 2024 (“**Cumulative Q3 2024**”). The revenue of the Group was attributable to the sales generated from our automation solutions and engineering services. For the Cumulative Q3 2024, our revenue from the recurring engineering services contributed to 66.62% of the Group’s revenue, and the remaining 33.38% came from project-based automation solutions.

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

The Group recorded profit before tax of approximately RM2.80 million and approximately RM8.67 million for the Q3 2024 and the Cumulative Q3 2024 respectively.

There are no comparative figures for the preceding year’s corresponding quarter as this is the first interim report being announced by the Company in compliance with the Listing Requirements.

B2 Comparison with Immediate Preceding Quarter

No comparative figures for the immediate preceding quarter are presented as this is the first interim financial report announced by the Company in compliance with the Listing Requirements.

B3 Prospects and Outlook

The global economic landscape remains challenging, marked by, amongst others, the interest rate outlook, trade tensions and the geopolitical risks in the Middle East and other regions. Nevertheless, the Group’s automation solutions and engineering services are positioned in the right value chain to benefit from surge in demand for generative artificial intelligence/machine learning (“AI/ML”) and proliferation of Internet of Things (“IoT”). The Malaysian Government’s initiatives in strengthening Malaysia’s position in the semiconductor supply chain will further contribute to elevate the prospects of players in the industry including the Group.

The Group will continue to expand its business by securing additional orders from existing and new customers, growing and diversifying the customer base. By setting up Delivery Centres through the IPO proceeds, the Group will be ready to propel its position in the integrated circuit development services (post-silicon validation) and expand its business and operations at a larger scale. Our Group’s regional expansion will also be facilitated by the establishment of a new office in Singapore.

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. The general increase in labour costs which may be due to inflations or short supply of labour may accelerate the adoption of Industry 4.0 solutions, process automation and digital transformation in all industries.

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.

[The remainder of this page is intentionally left blank]

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	30.09.2024 RM'000	30.09.2023 ⁽¹⁾ RM'000	30.09.2024 RM'000	30.09.2023 ⁽¹⁾ RM'000
In respect of current period:				
Tax expense	619	N/A	1,712	N/A
Effective tax rate (%)	22.15	N/A	19.76	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Notes:

N/A Not applicable.

(1) No comparative figures for the preceding corresponding period are presented as this is the first 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 22.15% and 19.76% respectively, which were lower than the statutory tax rate of 24.00%. The lower effective tax rates were mainly due to sales of certain automated equipment and digitalised solutions which were not subject to income tax due to the pioneer status tax incentives.

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	Proposed Utilisation (RM'000)	% of Utilisation (%)	Actual Utilisation (RM'000)	Balance to be Utilised (RM'000)	Estimated Timeframe for Utilisation Upon Listing
Setting up new Delivery Centres	7,200	23.38	-	7,200	Within 36 months
Research & development expenditure	5,100	16.56	-	5,100	Within 24 months
Establishment of new Singapore office	3,000	9.74	-	3,000	Within 36 months
Repayment of bank borrowings	7,600	24.67	-	7,600	Within 6 months
Working capital requirements	3,900	12.66	-	3,900	Within 24 months
Estimated listing expenses	4,000	12.99	-	4,000	Immediate
	<u>30,800</u>	<u>100.00</u>	<u>-</u>	<u>30,800</u>	

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

As at 30 September 2024, the Group has paid approximately RM1.84 million of the estimated listing expenses and it is recorded as prepayment.

[The remainder of this page is intentionally left blank]

B8 Borrowings

	Unaudited As at 30.09.2024 RM'000	Audited As at 31.12.2023 RM'000
Non-current		
Secured		
Hire purchase loans	355	528
Term loans	10,122	10,494
	<u>10,477</u>	<u>11,022</u>
Current		
Secured		
Promissory note	-	110
Hire purchase loans	228	220
Term loans	491	473
	<u>719</u>	<u>803</u>
Total borrowings	<u>11,196</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

There was no dividend declared or recommended for payment by the Board during the current quarter.

B11 EPS

	Unaudited Individual Quarter		Unaudited Cumulative Quarter	
	30.09.2024 RM'000	30.09.2023 ⁽¹⁾ RM'000	30.09.2024 RM'000	30.09.2023 ⁽¹⁾ RM'000
Profit attributable to the owners of the Company	2,175	N/A	6,954	N/A
Number of ordinary shares ('000)	540,000	N/A	540,000	N/A
Basic EPS (sen) ⁽²⁾	0.40	N/A	1.29	N/A
Diluted EPS (sen) ⁽³⁾	<u>0.33</u>	<u>N/A</u>	<u>1.07</u>	<u>N/A</u>

Notes:

N/A Not applicable.

- (1) No comparative figures for the preceding corresponding period are presented as this is the first 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 issued share capital of 540,000,000 ordinary shares before the IPO.
- (3) Diluted EPS is computed based on PAT attributable to owners of the Company divided by the issued share capital of 650,000,000 ordinary shares after the IPO. There are no dilutive instruments as at the end of the financial period.

[The remainder of this page is intentionally left blank]

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

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

	Unaudited Individual Quarter		Unaudited Cumulative Quarter	
	30.09.2024 RM'000	30.09.2023 ⁽¹⁾ RM'000	30.09.2024 RM'000	30.09.2023 ⁽¹⁾ RM'000
Amortisation of intangible assets	167	N/A	552	N/A
Depreciation of property, plant and equipment	398	N/A	1,159	N/A
Depreciation of right-of-use assets	69	N/A	197	N/A
Interest expense	134	N/A	402	N/A
Interest income	(121)	N/A	(375)	N/A
Realised loss on foreign exchange	132	N/A	148	N/A
Unrealised loss on foreign exchange	586	N/A	479	N/A

Notes:

N/A Not applicable.

(1) No comparative figures for the preceding corresponding period are presented as this is the first 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 4 November 2024.

**BY ORDER OF THE BOARD
3REN BERHAD**