

NORTHEAST GROUP BERHAD

Registration No: 202201025913 (147160-P)

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME^(a)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Quarter 30.06.2024 RM'000	Preceding Year Corresponding Quarter 30.06.2023 ^(b) RM'000	Current Year-to-date 30.06.2024 RM'000	Preceding Year Corresponding Year-to-date 30.06.2023 ^(b) RM'000
Revenue		21,568	N/A	68,613	N/A
Cost of sales		(14,057)	N/A	(42,829)	N/A
Gross profit		7,511	N/A	25,784	N/A
Other operating income		639	N/A	1,511	N/A
Net impairment loss on trade receivables		(55)	N/A	(55)	N/A
Selling and administrative expenses		(3,410)	N/A	(8,950)	N/A
Profit from operations		4,685	N/A	18,290	N/A
Finance cost		(377)	N/A	(1,100)	N/A
Profit before taxation	B12	4,308	N/A	17,190	N/A
Taxation	B5	(1,106)	N/A	(4,207)	N/A
Profit after taxation/ Total comprehensive income for the financial period		3,202	N/A	12,983	N/A
Earnings per share to owners of the Company					
Basic/ Diluted earnings per share (sen)	B11	0.43	N/A	1.75	N/A

Notes:-

- (a) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report included in the prospectus of the Company dated 26 September 2024 ("**Prospectus**") and the accompanying explanatory notes attached to this interim financial report.
- (b) This is the first 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 and year-to-date as no interim financial report is prepared for the comparative financial period concerned.

NORTHEAST GROUP BERHAD

Registration No: 202201025913 (147160-P)

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

UNAUDITED CONDENSED CONSOLIDATED/ COMBINED STATEMENT OF FINANCIAL POSITION^(a)

	Note	Unaudited As at 30.06.2024 RM'000	Audited As at 30.09.2023 RM'000
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment		60,442	65,317
Right-of-use assets		16,386	17,262
Investment properties		5,355	5,385
		82,183	87,964
<i>Current assets</i>			
Inventories		2,550	2,492
Trade and other receivables		22,178	15,534
Current tax assets		5,102	4,330
Cash and bank balances		85,794	81,906
		115,624	104,262
TOTAL ASSETS		197,807	192,226
EQUITY AND LIABILITIES			
Invested equity		-	3,200
Share capital		142,754	-
Reserves		12,973	139,543
TOTAL EQUITY		155,727	142,743
LIABILITIES			
<i>Non-current liabilities</i>			
Borrowings	B8	25,176	26,282
Lease liabilities	B8	403	1,430
Deferred tax liabilities		5,527	5,635
		31,106	33,347
<i>Current liabilities</i>			
Trade payables and other payables		7,967	12,593
Borrowings	B8	1,522	1,471
Lease liabilities	B8	1,485	1,870
Current tax liabilities		-	202
		10,974	16,136
TOTAL LIABILITIES		42,080	49,483
TOTAL EQUITY AND LIABILITIES		197,807	192,226
Net assets per share (RM) ^(b)		0.27	44.61

Notes:-

- (a) The basis of preparation of the Unaudited Condensed Combined/ Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Accountants' Report included in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (b) Net assets per ordinary share of the Company ("Share") is calculated based on the issued share capital of 571,011,000 Shares as at 30 June 2024 and the combined issued share capital of 3,200,002 Shares as at 30 September 2023.

NORTHEAST GROUP BERHAD

Registration No: 202201025913 (147160-P)

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY^{(a)(b)}

	Share Capital RM'000	Invested Equity RM'000	Merger Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Unaudited					
Balance as at 1 October 2023	-	3,200	-	139,543	142,743
Issuance of Share	1	-	-	-	1
Effects of acquisition of subsidiaries in business combinations under common control	142,753	(3,200)	(139,553)	-	-
Profit after taxation/ Total comprehensive income for the financial period	-	-	-	12,983	12,983
Balance as at 30 June 2024	142,754	-	(139,553)	152,526	155,727

Notes:-

- (a) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report included in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (b) This is the first financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding year's corresponding quarter as no interim financial report is prepared for the comparative financial period concerned.

(THE REST OF THE PAGE IS INTENTIONALLY LEFT BLANK)

NORTHEAST GROUP BERHAD

Registration No: 202201025913 (147160-P)

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS^{(a)(b)}

	Unaudited Current Year-to-date 30.06.2024 RM'000	Unaudited Preceding Year-to-date 30.06.2023^(b) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	17,190	N/A
Adjustments for:		
Depreciation of:		
- Property, plant and equipment	5,199	N/A
- Investment properties	30	N/A
- Right-of-use assets	876	N/A
Gain on foreign exchange - unrealised	(808)	N/A
Impairment loss on trade receivables	54	N/A
Interest income	(409)	N/A
Interest expense	1,100	N/A
Operating profit before changes in working capital	23,232	N/A
Changes in working capital		
Inventories	(58)	N/A
Trade and other receivables	(6,834)	N/A
Trade and other payables	(2,627)	N/A
Cash generated from operations	13,713	N/A
Interest received	409	N/A
Interest paid	(994)	N/A
Tax paid	(5,289)	N/A
Net cash from operating activities	7,839	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(324)	N/A
Net cash used in investing activities	(324)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of:-		
- Lease liabilities	(1,518)	N/A
- Term loans	(1,055)	N/A
Issuance of share capital	1	N/A
Dividend paid	(2,000)	N/A
Net changes in deposit with licensed banks with maturity more than three (3) months	(21)	N/A
Net cash used in financing activities	(4,593)	N/A
Net increase in cash and cash equivalents	2,922	N/A
Effects of foreign exchange differences	945	N/A
Cash and cash equivalents at beginning of financial period	81,088	N/A
Cash and cash equivalents at end of financial period	84,955	N/A
Cash and cash equivalents comprise of: -		
Cash and bank balances	49,532	N/A
Deposits with licensed bank	36,262	N/A
	85,794	N/A
Less: Deposits with licensed banks with maturity more than three (3) months	(839)	N/A
	84,955	N/A

NORTHEAST GROUP BERHAD

Registration No: 202201025913 (147160-P)

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

Notes:-

- (a) The basis of the preparation of the Unaudited Combined Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Accountants' Report included in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (b) This is the first financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding year's corresponding quarter as no interim financial report is prepared for the comparative financial period concerned.

(THE REST OF THE PAGE IS INTENTIONALLY LEFT BLANK)

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of Preparation

The interim financial report of Northeast Group Berhad (“**Company**”) and its subsidiaries (“**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 consolidated financial results for the third (3rd) quarter ended 30 June 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 as disclosed in the Prospectus 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.

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

Amendments to MFRSs

- | | |
|------------------------|--|
| MFRS 17 | - Insurance Contracts |
| Amendments to MFRS 17 | - Initial Application of MFRS 17 and MFRS 9 -Comparative Information |
| Amendments to MFRS 101 | - Disclosure of Accounting Policies |
| Amendments to MFRS 108 | - Definition of Accounting Estimates |
| Amendments to MFRS 112 | - Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to MFRS 112 | - International Tax Reform-Pillar Two Model Rules |

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

(THE REST OF THE PAGE IS INTENTIONALLY LEFT BLANK)

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

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 16	- Lease Liability in a Sale and Leaseback 1 January 2024
Amendments to MFRS 101	- Classification of Liabilities as Current or Non-Current 1 January 2024
Amendments to MFRS 101	- Non-Current Liabilities with Covenants 1 January 2024
Amendments to MFRS 107 and MFRS 7	- Supplier Finance Arrangements 1 January 2024
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
MFRS 18	- Presentation and Disclosure in Financial Statements 1 January 2027
MFRS 19	- Subsidiaries without Public Accountability: Disclosures 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 and the Company 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 Declaration on Audit Qualification

The audited financial statements of the Group for the financial year ended 30 September 2023 was 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.

(THE REST OF THE PAGE IS INTENTIONALLY LEFT BLANK)

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

A7 Debt and Equity Securities

On 27 December 2023, the Company issued 998 new Shares at RM1.00 each for total cash consideration of RM998.

On 5 January 2024, the Company issued a total of 571,010,000 new Shares arising from the followings:-

- (a) The acquisition of the entire issued share capital of NE Components Sdn Bhd (“**NE Components**”) comprising 500,000 shares of NE Components for a purchase consideration of RM31,630,700. The purchase consideration was wholly satisfied via the issuance of 126,522,800 new Shares to the vendors at an issue price of RM0.25 per Share;
- (b) The acquisition of the entire issued share capital in NE Integrated Sdn Bhd (“**NE Integrated**”) comprising 1,000,000 shares of NE Integrated for a purchase consideration of RM19,602,900. The purchase consideration was wholly satisfied via the issuance of 78,411,600 new Shares to the vendors at an issue price of RM0.25 per Share;
- (c) The acquisition of the entire issued share capital in NE Solutions Sdn Bhd (“**NE Solutions**”) comprising 50,000 shares of NE Solutions from the shareholders of NE Solutions for a purchase consideration of RM2,468,100. The purchase consideration was wholly satisfied via the issuance of 9,872,400 new Shares to the vendors at an issue price of RM0.25 per Share;
- (d) The acquisition of the entire issued share capital in NE Technologies Sdn Bhd (“**NE Technologies**”) comprising 150,000 shares of NE Technologies for a purchase consideration of RM15,121,500. The purchase consideration was wholly satisfied via the issuance of 60,486,000 new Shares to the vendors at an issue price of RM0.25 per Share; and
- (e) The acquisition of the entire issued share capital in Northeast Precision Sdn Bhd (“**Northeast Precision**”) comprising 1,500,000 shares of Northeast Precision for a purchase consideration of RM73,929,300. The purchase consideration was wholly satisfied via the issuance of 295,717,200 new Shares to the vendors at an issue price of RM0.25 per Share.

On even date, the Company completed the above acquisitions which resulted in NE Components, NE Integrated, NE Solutions, NE Technologies and Northeast Precision being the wholly-owned subsidiaries of the Company.

Save as disclosed above, there were no other issuances, cancellation, repurchases, resales and repayment of debts and equity securities during the current quarter and current year-to-date.

A8 Dividends Paid

There was no dividend declared or paid during the current quarter and current year-to-date.

(THE REST OF THE PAGE IS INTENTIONALLY LEFT BLANK)

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

A9 Segmental Information

Information about operating segments has not been reported separately as the Group’s revenue, profit or loss, asset and liabilities are mainly confined to a single operating segment, namely manufacturing of precision engineering components.

No separate segmental information is presented as the Board of Directors (“**Board**”) views the Group as a single reportable segment.

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

The material subsequent events after the end of the reporting period are disclosed as below:-

In conjunction with the Company’s listing on the ACE Market of Bursa Securities (“**IPO**”), the Company issued its Prospectus entailing the following:-

- (a) Public issue of 168,989,000 new Shares (“**Issue Shares**”) at an IPO price of RM0.50 per Share in the following manner:
 - (i) 37,000,000 Issue Shares for application by the Malaysian public;
 - (ii) 29,600,000 Issue Shares for application by the eligible Directors, employees and business associates who have contributed to the success of the Group;
 - (iii) 61,689,000 Issue Shares by way of private placement to selected investors; and
 - (iv) 40,700,000 Issue Shares by way of private placement made available to Bumiputera investors approved by the Ministry of Investment, Trade and Industry of Malaysia (“**MITI**”).
- (b) Offer for sale of 51,800,000 existing Shares by way of private placement to identified Bumiputera investors approved by the MITI.

Upon completion of the IPO, the Company is expected to be admitted to the Official List of Bursa Securities and the Company’s entire enlarged issued share capital of 740,000,000 Shares shall be listed and quoted on the ACE Market of Bursa Securities on 15 October 2024.

Save 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.

(THE REST OF THE PAGE IS INTENTIONALLY LEFT BLANK)

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

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

Save as disclosed below, there are no material capital commitments as at the date of this interim financial report:-

	RM'000
Capital expenditure in respect of purchase of property, plant and equipment	
Approved but not contracted for	72,561
Contracted but not provided for	<u>170</u>
	<u>72,731</u>

A15 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 June 2024, the Group does not have any derivatives financial instruments.

(THE REST OF THE PAGE IS INTENTIONALLY LEFT BLANK)

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

B1 Review of Performance

The Group recorded a revenue of approximately RM21.57 million for the current quarter ended 30 June 2024 (“**Q3 2024**”) and approximately RM68.61 million for the cumulative financial period 30 June 2024 (“**Cumulative Q3 2024**”). The revenue of the Group was attributable to the sales generated from our manufacturing of precision engineering components.

The revenue was mainly derived from customers located in Malaysia, Europe and North America.

The Group recorded profit before tax (“**PBT**”) of approximately RM4.31 million and approximately RM17.19 million for the Q3 2024 and the Cumulative Q3 2024, respectively after deducting selling and administrative expenses of approximately RM3.41 million and RM8.95 million respectively.

B2 Comparison with Immediate Preceding Quarter’s Results

This is the first interim financial report on the Company’s unaudited consolidated financial results for the Q3 2024 announced in compliance with Listing Requirements and as such, there are no comparative figures for the immediate preceding quarter.

B3 Prospects and Outlook

The Group will continue to expand its business by securing additional orders and growing the customer base, it is crucial for the Group to expand its production floor space as well as production capacity to cater for its production needs. Hence, the Group intends to construct a new factory in Penang to meet its needs.

The construction of the new factory is estimated to cost approximately RM50.40 million in total, comprising, amongst others, piling works, main building works, mechanical and electrical works. The Group intends to use RM40.0 million of the gross proceeds raised from the Public Issue for the construction of the new factory, with the remaining cost of approximately RM10.40 million to be funded via internally generated funds and/or bank borrowings. The Group intends to commence the construction of the new factory in the 4th quarter of 2024 and to commence operations in the new factory in the 1st quarter of 2027.

The construction of the new factory is part of the Group’s business expansion plans to grow its business operations and to house the new Computer Numerical Control (“**CNC**”) machines to be purchased. The new CNC machines will be used to produce more complex and higher mix of precision engineering components as well as to grow the Group’s customer base and serve more local and international customers. The Group intends to use approximately RM12.38 million of the gross proceeds raised from the Public Issue to purchase 36 new CNC machines.

Premised on the above, the Board is optimistic that the Group’s business expansion plans, coupled with the following industry drivers, as disclosed in the independent market research report prepared by Smith Zander International Sdn Bhd, will contribute positively to the Group’s financial performance in the near future:

- (a) growth in end-user industries;
- (b) increase in outsourcing manufacturing works;
- (c) government initiatives; and
- (d) continuous innovation in product development in end-user industries.

Please refer to Sections 6.5 and 7 of the Prospectus for further details of the Group’s future plans and business strategies and independent market research report, respectively.

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

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	
	Current Quarter 30.06.2024 RM'000	Preceding Year Corresponding Quarter 30.06.2023 RM'000	Current Year-to-date 30.06.2024 RM'000	Preceding Year Corresponding Year-to-date 30.06.2023 RM'000
In respect of current period: Taxation	1,106	N/A	4,207	N/A
Effective tax rate (%)	25.67	N/A	24.47	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

For the current quarter and current year-to-date, the effective tax rates were 25.67% and 24.47% respectively, which were higher than the statutory tax rate of 24.0%. The higher effective tax rates were mainly due to the under provision of tax expenses in the previous financial year and non-deductible expenses incurred.

B6 Status of Corporate Proposals

Save for the IPO as disclosed in Note A11, 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 RM84.49 million from the Public Issue are intended to be utilised in the following manner:-

Details of the Use of Proceeds	Proposed utilisation RM'000	Percentage of utilisation %	Actual utilisation RM'000	Balance to be utilised RM'000	Estimated Timeframe for the Use of Proceeds from the Date of listing ^(a)
Construction of the new factory	40,000	47.34	-	40,000	Within 36 months
Repayment of bank borrowings	20,000	23.67	-	20,000	Within 12 months
Purchase of new CNC machines	12,378	14.65	-	12,378	Within 36 months
Working capital	5,516	6.53	-	5,516	Within 12 months
Estimated listing expenses ^(b)	6,600	7.81	-	6,600	Within 1 month
	84,494	100.00	-	84,494	

Notes:

- (a) 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.
- (b) As at the date of this interim report, approximately RM2.64 million of the listing expenses have been incurred.

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

B8 Borrowings

	Unaudited	Audited
	As at 30.06.2024	As at 30.09.2023
	RM'000	RM'000
Current		
Secured		
- Term loans	1,522	1,471
- Lease liabilities	1,485	1,870
	3,007	3,341
Non-Current		
Secured		
- Term loans	25,176	26,282
- Lease liabilities	403	1,430
	25,579	27,712
Total Borrowings	28,586	31,053

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 Earnings Per Share ("EPS")

The EPS for the current quarter and current year-to-date are calculated as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED			
	Current Quarter 30.06.2024 RM'000	Preceding Year Corresponding Quarter 30.06.2023 RM'000	Current Year-to-date 30.06.2024 RM'000	Preceding Year Corresponding Year-to-date 30.06.2023 RM'000
Profit attributable to the owners of the Company	3,202	N/A	12,983	N/A
Number of Shares ('000)	740,000	N/A	740,000	N/A
Basic/ Diluted EPS (sen) ^(b)	0.43	N/A	1.75	N/A

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

Notes:

- (a) This is the first interim financial report on the Company's unaudited consolidated financial results for the third (3rd) quarter ended 30 June 2024 announced in compliance with Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding period.
- (b) Basic/ Diluted EPS is calculated based on the Company's assumed enlarged issued share capital of 740,000,000 Shares upon completion of the IPO. The diluted EPS is equal to the basic EPS as there was no potential dilutive Shares outstanding as at the end of the current quarter and year-to-date.

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

PBT is arrived at:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED			
	Current Quarter 30.06.2024 RM'000	Preceding Year Corresponding Quarter 30.06.2023 RM'000	Current Year-to-date 30.06.2024 RM'000	Preceding Year Corresponding Year-to-date 30.06.2023 RM'000
After charging:				
Depreciation of investment properties	10	N/A	30	N/A
Depreciation of property, plant and equipment	1,672	N/A	5,199	N/A
Depreciation of right-of-use assets	292	N/A	876	N/A
Impairment loss on trade receivables	55	N/A	55	N/A
Short term lease	24	N/A	74	N/A
Loss/ (Gain) on foreign exchange (net):-				
- Unrealised	157	N/A	(808)	N/A
- Realised	5	N/A	(141)	N/A

This is the first interim financial report on the Company's unaudited consolidated financial results for the third (3rd) quarter ended 30 June 2024 announced in compliance with Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding period.

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.

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

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 10 October 2024.

**BY ORDER OF THE BOARD
NORTHEAST GROUP BERHAD**