

**NORTHEAST GROUP BERHAD**

Registration No: 202201025913 (1471610-P)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

**UNAUDITED CONDENSED CONSOLIDATED/ COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME<sup>(a)</sup>**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Quarter 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 <sup>(b)</sup> RM'000	Current Year-to-date 30.09.2024 RM'000	Preceding Year Corresponding Year-to-date 30.09.2023 RM'000
Revenue		21,530	N/A	90,143	93,335
Cost of sales		(12,623)	N/A	(55,452)	(57,885)
Gross profit		8,907	N/A	34,691	35,450
Other operating income		1,062	N/A	2,573	3,654
(Loss)/Gain on impairment on trade receivables, net		(116)	N/A	(171)	50
Selling and administrative expenses		(7,590)	N/A	(16,540)	(14,605)
Profit from operations		2,263	N/A	20,553	24,549
Finance costs		(389)	N/A	(1,489)	(1,213)
Profit before taxation	B12	1,874	N/A	19,064	23,336
Tax expense	B5	(1,114)	N/A	(5,321)	(4,976)
<b>Profit for the financial period/year</b>		<b>760</b>	<b>N/A</b>	<b>13,743</b>	<b>18,360</b>
Other comprehensive income, net of tax		-	-	-	-
<b>Total comprehensive income attributable to owners of the Company</b>		<b>760</b>	<b>NA</b>	<b>13,743</b>	<b>18,360</b>
<b>Earnings per share to owners of the Company</b>					
Basic/ Diluted earnings per share (sen)	B11	0.10	N/A	1.86	2.48

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 second 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 no interim financial report is prepared for the comparative financial quarter concerned.

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**UNAUDITED CONDENSED CONSOLIDATED/ COMBINED STATEMENT OF FINANCIAL POSITION<sup>(a)</sup>**

	Note	Unaudited As at 30.09.2024 RM'000	Audited As at 30.09.2023 RM'000
<b>ASSETS</b>			
<i>Non-current assets</i>			
Property, plant and equipment		70,611	65,317
Right-of-use assets		16,094	17,262
Investment properties		5,345	5,385
		92,050	87,964
<i>Current assets</i>			
Inventories		2,594	2,492
Trade and other receivables		19,521	15,534
Current tax assets		5,775	4,330
Cash and bank balances		87,057	81,906
		114,947	104,262
<b>TOTAL ASSETS</b>		<b>206,997</b>	<b>192,226</b>
<b>EQUITY AND LIABILITIES</b>			
Invested equity		-	3,200
Share capital		142,754	-
Reserves		13,733	139,543
<b>TOTAL EQUITY</b>		<b>156,487</b>	<b>142,743</b>
<b>LIABILITIES</b>			
<i>Non-current liabilities</i>			
Borrowings	B8	33,576	26,282
Lease liabilities	B8	306	1,430
Deferred tax liabilities		5,161	5,635
		39,043	33,347
<i>Current liabilities</i>			
Trade payables and other payables		7,597	12,593
Borrowings	B8	1,985	1,471
Lease liabilities	B8	1,097	1,870
Current tax liabilities		788	202
		11,467	16,136
<b>TOTAL LIABILITIES</b>		<b>50,510</b>	<b>49,483</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>206,997</b>	<b>192,226</b>
Net assets per share (RM) <sup>(b)</sup>		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 September 2024 and the combined issued share capital of 3,200,002 Shares as at 30 September 2023.

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**UNAUDITED CONDENSED CONSOLIDATED/ COMBINED STATEMENT OF CHANGES IN EQUITY<sup>(a)</sup>**

	<b>Share Capital RM'000</b>	<b>Invested Equity RM'000</b>	<b>Merger Reserve RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Total Equity RM'000</b>
<b>Unaudited</b>					
Balance as at 1 October 2023	-	3,200	-	139,543	142,743
Profit for the financial year	-	-	-	13,743	13,743
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	13,743	13,743
<b>Transactions with owners of the Company:</b>					
Issuance of share capital	1	-	-	-	1
Effects of acquisition of subsidiaries in business combinations under common control	142,753	(3,200)	(139,553)	-	-
	142,754	(3,200)	(139,553)	-	1
Balance as at 30 September 2024	142,754	-	(139,553)	153,286	156,487
<b>Audited</b>					
Balance as at 1 October 2022	-	3,200	-	123,183	126,383
Profit for the financial year	-	-	-	18,360	18,360
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	18,360	18,360
<b>Transaction with common controlling shareholders:</b>					
Dividend	-	-	-	(2,000)	(2,000)
Balance as at 30 September 2023	-	3,200	-	139,543	142,743

Note:-

- (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.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

**UNAUDITED CONDENSED CONSOLIDATED/ COMBINED STATEMENT OF CASH FLOWS<sup>(a)</sup>**

	<b>Unaudited Current Year-to-date 30.09.2024 RM'000</b>	<b>Audited Preceding Year-to-date 30.09.2023 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	19,063	23,336
Adjustments for:		
Depreciation of:		
- property, plant and equipment	6,863	6,648
- right-of-use assets	1,168	1,091
- investment properties	40	89
Gain on disposals of:		
- property, plant and equipment	(122)	(332)
- non-current assets held for sale	-	(94)
Impairment loss on trade receivables	171	50
Interest expense	1,489	1,213
Interest income	(834)	(101)
Reversal of impairment loss on trade receivables	-	(100)
Unrealised loss/(gain) on foreign exchange, net	2,636	(1,042)
Operating profit before changes in working capital	30,474	30,758
(Increase)/Decrease in inventories	(103)	1,095
(Increase)/Decrease in trade and other receivables	(4,974)	6,511
Decrease in trade and other payables	(2,993)	(6,575)
Cash generated from operations	22,404	31,789
Interest received	766	101
Interest paid	(1,360)	(1,000)
Tax refunded	-	322
Tax paid	(6,653)	(8,472)
Net cash from operating activities	15,157	22,740
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of:		
- property, plant and equipment	(2,916)	(10,787)
- right-of-use assets	-	(371)
Proceeds from disposal of:		
- property, plant and equipment	122	340
- non-current assets held for sale	-	1,700
Net cash used in investing activities	(2,794)	(9,118)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of lease liabilities	-	752
Repayment of:		
- term loans	(1,432)	(2,933)
- lease liabilities	(2,026)	(1,962)
Issuance of ordinary shares	1	-
Cash used in financing activities carry forward	(3,457)	(4,143)

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**UNAUDITED CONDENSED CONSOLIDATED/ COMBINED STATEMENT OF CASH FLOWS<sup>(a)</sup>  
(CONTINUED)**

	<b>Unaudited Current Year-to-date 30.09.2024 RM'000</b>	<b>Audited Preceding Year-to-date 30.09.2023 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES (CONTINUED)</b>		
Cash used in financing activities brought forward	(3,457)	(4,143)
Dividend paid	(2,000)	-
Net changes in deposits with licensed banks with maturity of more than three (3) months	(21)	(14)
Net cash used in financing activities	<u>(5,478)</u>	<u>(4,157)</u>
Net increase in cash and cash equivalents	6,885	9,465
Effects of exchange rate changes on cash and cash equivalents	(1,755)	1,377
Cash and cash equivalents at beginning of financial year	<u>81,088</u>	<u>70,246</u>
Cash and cash equivalents at end of financial year	<u>86,218</u>	<u>81,088</u>
<b>Cash and cash equivalents comprise of: -</b>		
Cash and bank balances	35,103	76,020
Deposits with licensed bank	<u>51,954</u>	<u>5,886</u>
As per statements of financial position	87,057	81,906
Less:		
Deposits with licensed banks with maturity more than three (3) months	<u>(839)</u>	<u>(818)</u>
As per statements of cash flows	<u>86,218</u>	<u>81,088</u>

Note:

- (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.

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**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 second interim financial report on the Group’s unaudited consolidated financial results for the fourth (4<sup>th</sup>) quarter and financial year 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 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 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 year:

**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.

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**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:

<b>Title</b>	<b>Effective Date</b>
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 are 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.

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**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.

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**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 was admitted to the Official List of Bursa Securities and the Company’s entire enlarged issued share capital of 740,000,000 Shares was 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.

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**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 Commitments**

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

	<b>RM'000</b>
<b>Capital expenditure in respect of purchase of property, plant and equipment</b>	
Approved but not contracted for	62,778
Contracted but not provided for	<u>1,585</u>
	<u><u>64,363</u></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 September 2024, the Group does not have any derivatives financial instruments.

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

**B1 Review of Performance**

	Preceding Year			Preceding Year		
	Current	Corresponding	Changes	Current	Corresponding	Changes
	Quarter	Quarter		Year-to-date	Year-to-date	
30.09.2024	30.09.2023	%	30.09.2024	30.09.2023	%	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	21,530	N/A	N/A	90,143	93,335	-3
Profit before tax	1,874	N/A	N/A	19,064	23,336	-18
Profit after tax	760	N/A	N/A	13,743	18,360	-25

**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 consolidated financial results for the current quarter ended 30 September 2024 ("Q4 2024") announced in compliance with Listing Requirements.

**Comparison with preceding year corresponding year-to-date results**

The Group's revenue decreased by approximately RM3.19 million or 3% from approximately RM93.34 million for the financial year ended 30 September 2023 ("FYE 2023") to approximately RM90.14 million for the financial year ended 30 September 2024 ("FYE 2024"). The decrease in revenue was mainly due to a reduction in sales from the photonics sector. However, such decrease was partially offset by higher sales from the electrical and electronics, and semiconductor sectors.

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

The Group's profit before tax ("PBT") decreased by approximately RM4.27 million or 18% from RM23.34 million for FYE 2023 to approximately RM19.06 million for FYE 2024. The decrease in PBT was mainly due to net foreign exchange loss of approximately RM3.13 million in FYE 2024 as compared to a net foreign exchange gain of approximately RM1.31 million in FYE 2023 and one-off listing expenses of approximately RM0.38 million recognised in current quarter.

**B2 Comparison with Immediate Preceding Quarter's Results**

	Immediate		Changes
	Current	Preceding	
	Quarter	Quarter	
30.09.2024	30.06.2024	%	
	RM'000	RM'000	%
Revenue	21,530	21,568	-0.2
Profit before tax	1,874	4,308	-56
Profit after tax	760	3,202	-76

The Group's revenue remained relatively stable, decreased slightly by approximately RM0.04 million or 0.2% from approximately RM21.57 million for preceding quarter ended 30 June 2024 ("Q3 2024") to approximately RM21.53 million for Q4 2024.

The Group's PBT decreased by approximately RM2.43 million or 56% from approximately RM4.31 for Q3 2024 to approximately RM1.87 million for Q4 2024. The decrease in PBT was mainly due to higher net foreign exchange loss of approximately RM4.08 million in Q4 2024 as compared to a net foreign exchange loss of approximately RM0.16 million in Q3 2024.

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The Group will continue to expand its business by securing additional orders and growing the customer base. Hence, it is crucial for the Group to expand its production floor space as well as production capacity to cater for its production needs. To meet such need, the Group intends to construct a new factory in Penang. The construction of the new factory is expected to commence in the first half of 2025 with operations to begin 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 36 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.

By leveraging on the Group's past operating history and competitive strengths, the Board is cautiously optimistic that the Group's business expansion plans, coupled with growth in end-user industries, increase in outsourcing manufacturing works and continuous innovation in product development in end-user industries will contribute positively to the Group's financial performance in the coming financial years. Moving forward, the Group will also continue to explore new business opportunities through its current and potential customers.

**B4 Variance of Actual Profit Forecast**

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

**B5 Tax Expense**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED		12 MONTHS ENDED	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Malaysian income tax:				
- current tax	1,480	N/A	5,795	3,631
- deferred tax liabilities	(366)	N/A	(474)	1,345
	1,114	N/A	5,321	4,976

For the current quarter and current year-to-date, the Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated taxable profits. The higher effective tax rates for the current quarter and current year-to-date were mainly due to under provision of tax expenses in the previous financial year and unrealised foreign exchange loss which is non-deductible for tax purposes.

**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.

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

**B7 Utilisation of Proceeds from the Public Issue**

The gross proceeds of approximately RM84.49 million to be raised 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 <sup>(a)</sup> RM'000	Balance to be utilised RM'000	Estimated Timeframe for the Use of Proceeds from the Date of listing
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 <sup>(b)</sup>	6,600	7.81	-	6,600	Within 1 month
	<b>84,494</b>	<b>100.00</b>	-	<b>84,494</b>	

Note:

- (a) The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus. As at 30 September 2024, the IPO is pending completion and hence, there are no proceeds to be utilised as yet.

**B8 Borrowings**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at 30.09.2024</b>	<b>As at 30.09.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Current</b>		
Secured		
- Term loans	1,985	1,471
- Lease liabilities	1,097	1,870
	3,082	3,341
<b>Non-Current</b>		
Secured		
- Term loans	33,576	26,282
- Lease liabilities	306	1,430
	33,882	27,712
<b>Total Borrowings</b>	<b>36,964</b>	<b>31,053</b>

All the borrowings are secured and denominated in Ringgit Malaysia.

**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.

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

**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		AUDITED	
	Current Quarter 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 RM'000	Current Year-to-date 30.09.2024 RM'000	Preceding Year Corresponding Year-to-date 30.09.2023 RM'000
Profit attributable to the owners of the Company	760	N/A	13,743	18,360
Number of Shares ('000)	740,000	N/A	740,000	740,000
Basic/ Diluted EPS (sen) <sup>(b)</sup>	0.10	N/A	1.86	2.48

Notes:

- (a) This is the second interim financial report on the Company’s unaudited consolidated financial results for the fourth (4<sup>th</sup>) quarter ended 30 September 2024 announced in compliance with Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding quarter.
- (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.

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

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

PBT is arrived at:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED		AUDITED	
	Current Quarter 30.09.2024 RM'000	Preceding Year Corresponding Quarter <sup>(a)</sup> 30.09.2023 RM'000	Current Year-to-date 30.09.2024 RM'000	Preceding Year Corresponding Year-to-date 30.09.2023 RM'000
After charging:				
Depreciation of property, plant and equipment	1,664	N/A	6,863	6,648
Depreciation of right-of-use assets	292	N/A	1,168	1,091
Depreciation of investment properties	10	N/A	40	89
Gain on disposal of property, plant and equipment	(122)	N/A	(122)	(332)
Gain on disposal of non-current assets held for sale	-	N/A	-	(94)
Impairment loss on trade receivables	116	N/A	171	50
Reversal of impairment loss on trade receivables	-	N/A	-	(100)
Inventories written down	70	N/A	70	-
Interest expense	389	N/A	1,489	1,213
Interest income	(425)	N/A	(834)	(101)
Loss/ (Gain) on foreign exchange (net):-				
- Unrealised	3,444	N/A	2,636	(1,042)
- Realised	635	N/A	494	(264)

Note:

- (a) This is the second interim financial report on the Company's unaudited consolidated financial results for the fourth (4<sup>th</sup>) quarter ended 30 September 2024 announced in compliance with Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding quarter.

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.

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**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 26 November 2024.

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