



EG INDUSTRIES BERHAD

(222897-W)

(Incorporated in Malaysia)

Interim Financial Statements For The Financial Period Ended

31 March 2018



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 MARCH 2018

	Note	<u>Individual Quarter</u>			<u>Cumulative Quarter</u>		
		<u>Unaudited</u>	<u>Unaudited</u>	Changes	<u>Unaudited</u>	<u>Unaudited</u>	Changes
		3 months ended			9 months ended		
		31.03.2018	31.03.2017	%	31.03.2018	31.03.2017	%
		RM'000	RM'000		RM'000	RM'000	
Revenue		256,058	253,138	1.2%	758,468	747,545	1.5%
Operating profit		14,288	15,678	-8.9%	47,176	50,378	-6.4%
Interest income		74	88	-15.9%	447	261	71.3%
Interest expense		(1,934)	(2,961)	-34.7%	(6,434)	(8,556)	-24.8%
Depreciation & amortisation		(8,182)	(6,833)	19.7%	(24,701)	(20,355)	21.4%
Profit before tax		4,246	5,972	-28.9%	16,488	21,728	-24.1%
Tax expense	B6	(41)	(695)	-94.1%	(591)	(1,700)	-65.2%
Profit for the period		4,205	5,277	-20.3%	15,897	20,028	-20.6%
Other comprehensive (expenses)/ income for the period							
Foreign currency translation difference for foreign operations		(850)	617	>-100.0%	(2,001)	11,110	>-100.0%
Fair value of available-for-sale financial assets		(990)	1,188	>-100.0%	(2,128)	3,066	>-100.0%
		(1,840)	1,805	>-100.0%	(4,129)	14,176	>-100.0%
Total other comprehensive (expenses)/ income for the period		2,365	7,082	-66.6%	11,768	34,204	-65.6%
Profit attributable to:							
Owners of the Company		4,205	5,277	-20.3%	15,897	20,028	-20.6%
Non-controlling Interest		-	-	-	-	-	-
Profit for the period		4,205	5,277	-20.3%	15,897	20,028	-20.6%
Total comprehensive income attributable to:							
Owners of the Company		2,365	7,082	-66.6%	11,768	34,204	-65.6%
Non-controlling Interest		-	-	-	-	-	-
Total comprehensive income for the period		2,365	7,082	-66.6%	11,768	34,204	-65.6%
Basic earnings per ordinary share (sen)	B15	1.72	2.50		6.51	9.48	
Diluted earnings per ordinary share (sen)	B15	1.39	1.96		5.27	7.45	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited Financial Statements as at 30 June 2017. The accompanying notes are an integral part of this statement.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

	Note	Unaudited as at 31.03.2018 RM'000	Audited as at 30.06.2017 RM'000
Assets			
Property, plant and equipment		167,608	184,464
Investment property		3,166	3,197
Other investments		5,826	7,954
Intangible asset		20,335	21,173
Deferred tax assets		1,521	772
Total non-current assets		198,456	217,560
Inventories		134,673	130,082
Trade and other receivables	B7	286,584	307,400
Current tax assets		2,029	705
Fixed deposits with licensed banks		18,700	15,481
Cash and bank balances		40,286	17,979
Total current assets		482,272	471,647
Total assets		680,728	689,207
Equity			
Share capital		154,958	126,714
Equity component of redeemable convertible preference shares		48,447	-
Treasury shares		-	(137)
Reserves		119,900	136,999
Total equity attributable to shareholders of the Company		323,305	263,576
Non-controlling interests		(262)	(762)
Total equity		323,043	262,814
Liabilities			
Provision for retirement benefit		321	322
Loans and borrowings	B11	12,781	14,193
Deferred tax liabilities		121	121
Total non-current liabilities		13,223	14,636
Trade and other payables		146,415	209,357
Loans and borrowings	B11	195,894	201,600
Provisions		800	800
Current tax liabilities		1,353	-
Total current liabilities		344,462	411,757
Total liabilities		361,212	426,393
Total equity and liabilities		680,728	689,207
Net assets per ordinary share (RM)		1.21	1.25

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements as at 30 June 2017. The accompanying notes are an integral part of this Statement of Financial Position.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 MARCH 2018**

	Non-distributable									Distributable			
	Share capital RM'000	Equity component of RCPS RM'000	Treasury shares RM'000	Warrant reserve RM'000	Fair value reserve RM'000	Translation reserve RM'000	Share premium RM'000	Capital reserve RM'000	Other reserve RM'000	Retained profit RM'000	Total RM'000	Minority Interest RM'000	Total equity RM'000
At 1 July 2017	# 126,714	-	(137)	22,628	1,058	11,457	-	28,462	(22,628)	96,022	263,576	(762)	262,814
Foreign currency translation differences for foreign operations	-	-	-	-	-	(2,001)	-	-	-	-	(2,001)	-	(2,001)
Fair value of available-for-sale financial assets	-	-	-	-	(2,128)	-	-	-	-	-	(2,128)	-	(2,128)
Total other comprehensive(expenses)/ income for the period	-	-	-	-	(2,128)	(2,001)	-	-	-	-	(4,129)	-	(4,129)
Profit for the period	-	-	-	-	-	-	-	-	-	15,897	15,897	-	15,897
Total comprehensive(expenses)/ income for the period	-	-	-	-	(2,128)	(2,001)	-	-	-	15,897	11,768	-	11,768
Issuance of RCPS	-	50,246	-	-	-	-	-	-	-	-	50,246	-	50,246
Issuance of ordinary shares pursuant to:-													
- conversion of RCPS	1,799	(1,799)	-	-	-	-	-	-	-	-	-	-	-
Issuance of bonus shares	26,445	-	-	-	-	-	-	(26,445)	-	-	-	-	-
Capitalisation of right issue expenses	-	-	-	-	-	-	-	-	-	(2,018)	(2,018)	-	(2,018)
Resale of treasury shares	-	-	137	-	-	-	-	96	-	-	233	-	233
Dilution of interest arising from acquisition of additional equity interest in a subsidiary	-	-	-	-	-	-	-	-	-	(500)	(500)	500	-
Total transactions with owners of the Company	28,244	48,447	137	-	-	-	-	(26,349)	-	(2,518)	47,961	500	48,461
At 31 March 2018	154,958	48,447	-	22,628	(1,070)	9,456	-	2,113	(22,628)	109,401	323,305	(262)	323,043
At 1 July 2016	105,782	-	(128)	22,628	(1,872)	8,492	20,932	28,462	(22,628)	73,772	235,440	(762)	234,678
Foreign currency translation differences for foreign operations	-	-	-	-	-	11,110	-	-	-	-	11,110	-	11,110
Fair value of available-for-sale financial assets	-	-	-	-	3,066	-	-	-	-	-	3,066	-	3,066
Total other comprehensive income for the period	-	-	-	-	3,066	11,110	-	-	-	-	14,176	-	14,176
Profit/ (loss) for the period	-	-	-	-	-	-	-	-	-	20,028	20,028	-	20,028
Total comprehensive (expense)/income for the year	-	-	-	-	3,066	11,110	-	-	-	20,028	34,204	-	34,204
Treasury shares acquired	-	-	(9)	-	-	-	-	-	-	-	(9)	-	(9)
Total transactions with owners of the Company	-	-	(9)	-	-	-	-	-	-	-	(9)	-	(9)
At 31 March 2017	105,782	-	(137)	22,628	1,194	19,602	20,932	28,462	(22,628)	93,800	269,635	(762)	268,873

Note: # With the introduction of the Companies Act, 2016 (the "Act") effective 31st January 2017, the concept of authorised share capital and par value of share capital has been abolished. Consequently, balances within the share premium account have been transferred to the share capital account pursuant to the transitional provisions set out in Section 618(2) of the new Act. Notwithstanding this provision, the Company has elected to utilise its share premium account for purposes stipulated in Section 618(3) of the Act for a transitional period of 24 months from 31st January 2017.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements as at 30 June 2017. The accompanying notes are integral part of this statement.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 MARCH 2018**

	Unaudited 31.03.2018 RM'000	Unaudited 31.03.2017 RM'000
Cash flow from operating activities		
Profit before tax	16,488	21,728
Adjustments for:		
Amortisation of intangible assets	905	224
Depreciation of investment property	31	23
Depreciation of property, plant and equipment	23,765	20,108
Interest expenses	6,434	8,556
Interest income	(447)	(261)
Gain on disposal of property, plant and equipment	(1)	(297)
Dividend income	(1)	(1)
Operating profit before working capital changes	47,174	50,080
Increase in inventories	(4,308)	(6,800)
Decrease / (Increase) in trade and other receivables	17,824	(22,606)
(Decrease) / Increase in trade and other payables	(66,492)	7,453
Cash (used in) / generated from operations	(5,802)	28,127
Dividend income	1	1
Tax paid	2,032	(1,424)
Net cash (used in) / generated from operating activities	(3,769)	26,704
Cash flow from investing activities		
Acquisition of intangible assets	(67)	(8,887)
Acquisition of property, plant and equipment	(6,346)	(20,532)
Acquisition of investment property	-	(3,294)
Acquisition of treasury shares	-	(9)
Interest income	447	261
Payment of RCPS expenses	(2,018)	-
Proceeds from resale of treasury shares	233	-
Proceeds from issuance of RCPS	50,246	-
Proceeds from disposal of property, plant and equipment	26	-
Net cash generated from/(used in) investing activities	42,521	(32,461)
Cash flows from financing activities		
Interest paid	(6,434)	(8,556)
(Repayment)/ Net drawdown of bank borrowing	(2,113)	19,776
Repayment of finance lease liabilities	(1,997)	-
Repayment of term loans	(2,695)	-
Placement of fixed deposits	(3,219)	(5,518)
Net cash (used in)/generated from financing activities	(16,458)	5,702
Net increase / (decrease) in cash and cash equivalents	22,294	(55)
Cash and cash equivalents at beginning of the period	17,976	37,352
Effect of exchange rates on cash and cash equivalents	16	(214)
Cash and cash equivalents at end of the period	40,286	37,083
Cash and cash equivalents comprise the following :		
Cash and bank balances	40,286	31,063
Fixed deposits with licensed banks (excluded pledged deposits)	-	6,020
	40,286	37,083

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements as at 30 June 2017. The accompanying notes are an integral part of this statement.



NOTES TO THE INTERIM FINANCIAL STATEMENTS

A. MFRS 134 – Interim Financial Reporting

A1. **Basis of Preparation**

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 and Appendix 9B of the Listing Requirements.

These condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2017. These explanatory notes, attached to the condensed consolidated interim financial statements, provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2017. The audited financial statements of the Group as at and for the year ended 30 June 2017 were prepared under Malaysian Financial Reporting Standards (MFRSs).

A2. **Significant Accounting policies**

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the year ended 30 June 2017 except for the adoption of the following new and revised MFRSs:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4, *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty Over Income Tax Treatments*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*



A2. Significant Accounting policies (Continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

The Directors anticipate that the abovementioned Standards will be adopted in the annual financial statements of the Company when they become effective and that the adoption of these Standards will have no material impact on the financial statements of the Group in the period of initial application.

A3. Audit Report

The auditors' report of the Group's financial statements for the year ended 30 June 2017 was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The business operations of the Group are subject to seasonal or cyclical factors that are common in the industry in which the Group operates in.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There are no unusual items affecting assets, liabilities, equity, net income, and cash flows for the period under review.

A6. Material changes in Estimates

There was no material changes in estimates used in the preparation of the financial statements in the current quarter and financial period-to-date as compared to the preceding corresponding financial quarter.

A7. Issuance of Equity or Debt Securities

As at 31 March 2018, the number of outstanding ordinary shares each in issue is 266,344,812.

The Group has completed the corporate exercises and 52,890,970 Redeemable Convertible Preference Shares (RCPS) together with 52,890,970 Bonus Shares issued pursuant to the Rights Issue and Bonus Issue respectively, and 11,342,586 additional Warrants-C issued pursuant to the Rights Adjustments were listed on 19 October 2017.

In addition, the number of issued share capital of the Group has also increased by way of allotment and issuance of 1,893,600 new ordinary shares arising from conversion of RCPS during the current financial period-to-date.

Other than the above, there were no issuance and repayment of equity and debts securities, share cancellations and resale of treasury shares during the current financial period ended 31 March 2018.

A8. Dividend Paid

No dividend has been paid for the current financial period ended 31 March 2018.



A9. Segmental Reporting

The segment analysis for the Group's results as follows:

Segment for the Group	Individual Quarter Ended			Cumulative Quarter Ended		
	31.03.2018 RM'000	31.03.2017 RM'000	Change %	31.03.2018 RM'000	31.03.2017 RM'000	Change %
Segment revenue						
- Electronic Manufacturing Services	256,058	253,123	1.2%	758,311	747,498	1.4%
- Other	-	15	-100.0%	157	47	>100.0%
Total Segment Revenue	256,058	253,138	1.2%	758,468	747,545	1.5%
Segment Result						
- Electronic Manufacturing Services	4,471	6,085	-26.5%	17,648	23,461	-24.8%
- Other	(225)	(113)	99.1%	(1,160)	(1,733)	-33.1%
Profit before tax	4,246	5,972	-28.9%	16,488	21,728	-24.1%
Segment assets						
- Electronic Manufacturing Services	55,296	(17,421)	>-100.0%	645,197	631,303	2.2%
- Other	(2,566)	8,983	>-100.0%	35,531	40,837	-4.4%
	52,730	(8,438)	>-100.0%	684,255	672,140	1.8%

A10. Valuation of Property, Plant and Equipment

There were no valuation of property, plant and equipment during the current financial period ended 31 March 2018.

A11. Material Subsequent Events

There were no material events or transactions subsequent to the end of current financial period ended 31 March 2018.

A12. Changes in the Composition of the Group

During the current financial period, the Group had on 28 February 2018 disposed EG Global Sdn Bhd, a wholly owned subsidiary for a total cash consideration of RM50,000.

Save as disclosed above, there were no changes in the composition of the group for the current quarter and financial period-to-date.

A13. Changes in Contingent Liabilities or Contingent Assets

There were no material changes in contingent liabilities or contingent assets as at the end of the current financial period.

**A14. Capital Commitments**

As at 31 March 2018, the Group has no material capital commitment in respect of property, plant and equipment.

A15. Related party transactions

Significant related party transactions of the Group are as follows: -

Transactions with companies in which certain Directors have a substantial financial interest

	Unaudited As at 31.03.2018 RM'000	Audited As at 30.06.2017 RM'000
Purchase of raw materials	(396)	(2,871)
Purchase of tooling	(16)	(119)

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

A16. Fair Value

The Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

	Fair value of financial instruments carried at fair value		Fair value of financial instruments not carried at fair value		Total fair value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Total RM'000	Level 3 RM'000	Total RM'000		
31.03.2018						
Financial asset						
Quoted shares	5,826	5,826	-	-	5,826	5,826
Financial liabilities						
Term loans – variable rate	-	-	(8,547)	(8,547)	(8,547)	(8,547)
Finance lease liabilities	-	-	(9,640)	(9,640)	(9,640)	(9,640)
	-	-	(18,187)	(18,187)	(18,187)	(18,187)



A16. Fair Value (Continued)

	Fair value of financial instruments carried at fair value		Fair value of financial instruments not carried at fair value		Total fair value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Total RM'000	Level 3 RM'000	Total RM'000		
30.06.2017						
Financial asset						
Quoted shares	7,954	7,954	-	-	7,954	7,954
Financial liabilities						
Term loans – variable rate	-	-	(11,251)	(11,251)	(11,251)	(11,251)
Finance lease liabilities	-	-	(11,927)	(11,927)	(11,927)	(11,637)
	-	-	(23,178)	(23,178)	(23,178)	(22,888)

There have been no transfers between any levels during the current quarter under review and the comparative period.

B. ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of Performance

Comparison between the current quarter (“Q3 2018”) and the preceding correspondence quarter (“Q3 2017”)

For the current quarter ended 31 March 2018, the Group recorded revenue of RM256.1 million, an increase of 1.2% as compared to RM253.1 million recorded in the previous year corresponding quarter. The increase in revenue was mainly attributed to higher sales volumes from existing consumer electronics products.

Despite the increase in sales revenue, the Group’s profit before tax for the current quarter decreased by 28.9% or RM1.8 million to RM4.2 million from RM6.0 million in previous year corresponding quarter due to following reasons:

- (i) weakening of US Dollar against Malaysia Ringgit which translated into lower product margin;
- (ii) higher depreciation costs arising from enlarged machinery base which the machineries were not operating at maximum capacity level;
- (iii) slower growth in sales volume due to long material lead-time which affected the ramp up of production volume and period to launch new product model;
- (iv) higher freight inward cost to obtain spot buy components.

Comparison between the current financial period-to-date and the preceding correspondence financial year-to-date

For the current financial period-to-date, the Group recorded revenue of RM758.5 million, an increase of 1.5% as compared to RM747.5 million the last year corresponding period which mainly attributed to higher sales volumes from existing consumer electronics products, partially offset by the decrease in sales volumes of data storage products.



Comparison between the current financial period-to-date and the preceding correspondence financial year-to-date (Continued)

The Group's profit before tax decreased by 24.1% or RM5.2 million to RM16.5 million from RM21.7 million in previous year corresponding period due to higher administrative expenses arising from corporate exercise expenses, lower sales volume of mass data storage products which resulted from change of a new complex product model with smaller components by its existing data storage customer in the month of November 2017 and reasons as mentioned above.

B2. Variation of Results against Preceding Quarter

Description	3 rd Quarter 2018 RM'000	2 nd Quarter 2018 RM'000	Increase/ (Decrease)	
			RM'000	%
Revenue	256,058	254,496	1,562	0.6
Profit before tax	4,246	4,556	(310)	(6.8)
Profit after tax	4,205	4,056	149	3.7

Revenue for the current quarter increased by RM1.6 million or 0.6% as compared to the immediate preceding quarter of RM254.5 million. The increase in revenue was mainly driven by resume of production of new complex product model with small components by existing data storage customer, offset by the decrease in sales volume of consumer electronics products due to seasonal cycle effect.

However, the Group's profit before tax in the current quarter decreased to RM4.2 million from RM4.6 million in the immediate preceding quarter. The decrease in profit before tax was mainly due to decrease in sales volume of higher margin consumer electronics products, weakening of US Dollar against Malaysia Ringgit and higher depreciation expenses incurred from enlarged capital base.

B3. Prospect

Moving into last quarter financial year 2018, the Group expects to face continue challenges on the overall macro economy such as increase of raw material pricing and longer delivery lead-time due to global shortage of passive electronic components and fluctuation of US Dollar against Malaysia Ringgit.

In light of these challenges, the Group will continue its efforts to improve its product margins through strengthening of its product mix with the expansion of revenue contribution from its vertical integrated EMS and widen the revenue base from either new or existing customers to optimize its current production capacity from the ready enlarged machineries based.

The Company expects the raw material shortfall to be normalized in the 2nd half of the next financial year as certain critical electronic components delivery lead-time is around 6 to 9 months.

Besides, the Group's has obtained approval from MIDA in year 2016 to set up its International Procurement Hub ("IPC") in Sungai Petani, Kedah. The construction of IPC has completed on February 2018 and the Group has obtained final approval from Custom Malaysia on April 2018. With the commencement of IPC operations, the Group is expected to obtain more competitive raw material prices through larger scale of procurement activities to maintain its competitiveness in global Electronic Manufacturing Services ("EMS") market and reduce components delivery lead time.

Barring any unforeseen circumstances and adverse external economic factors, the Board of Directors is optimistic that the Group's financial performance for the financial year ending 30 June 2018 will remain positive.

B4. Statement of the Board of Directors' opinion on achievement of forecast or target

The disclosure requirements are not applicable for the current quarter and financial year-to-date.

**B5. Variance on Forecast Profit / Shortfall in Profit Guarantee**

The Group did not issue any profit forecast / profit guarantee for the current financial quarter.

B6. Tax Expense

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	RM'000	RM'000	RM'000	RM'000
Current tax expense	341	695	1,341	1,700
Deferred tax income	(300)	-	(750)	-
Tax expense	41	695	591	1,700

The effective tax rate of the Group for the current quarter and year to date is lower than the statutory income tax rate mainly due to the availability of reinvestment allowance by a subsidiary and a foreign subsidiary was granted promotional privileges under the Investment Promotional Act B.E. 2520 for a period of 8 years.

B7. Trade Receivables

The trade receivables of the Group were as follows:

	Unaudited	Audited
	As at 31.03.2018	As at 30.06.2017
	RM'000	RM'000
Trade	253,028	284,254
Non-trade	33,556	23,146
	286,584	307,400

The Group maintains an ageing analysis in respect of trade receivables only. The ageing of trade receivables as at the end of the reporting period was:

	As at	As at
	31.03.2018	30.06.2017
	RM'000	RM'000
Not past due	184,394	214,667
Past due 1 - 30 days	64,869	61,732
Past due 31 - 60 days	3,522	6,629
Past due 61 - 90 days	217	433
Past due more than 90 days	26	793
	253,028	284,254

B8. Profit/ (Loss) on Sale of Unquoted Investment and /or Property

There was no sale of unquoted investments or properties during the current financial period under review.

**B9. Purchase or Disposal of Quoted Securities Other Than Securities in Existing Subsidiaries and Associated Company**

During the current financial period ended 31 March 2018, the Group has disposed its investment in quoted securities for a net cash consideration of RM41 and the disposal gave rise to a loss of RM2.

B10. Status of Uncompleted Corporate Announcement**Proposed Listing of SMT Industries Co., Ltd (“SMTI”)**

On 25 March 2016, an announcement was made by M&A Securities Sdn. Bhd. that the Company proposes to undertake the listing of SMTI, a wholly owned subsidiary of EGIB on the Market for Alternative Investment (“Mai Market”) of the Stock Exchange of Thailand (“Proposed Listing”). The Company will engage several advisers to undertake the Proposed Listing and announcement will be made upon finalization of appointment at a later date.

The Proposed Listing is still in progress.

Save as disclosed above, there were no other corporate proposals announced but not completed during the quarter under review.

B11. Group Borrowings and Debt Securities

Total Group borrowings as at 31 March 2018 are as follows:

	Unaudited As at 31.03.2018 RM’000	Audited As at 30.06.2017 RM’000
(a) Secured:		
Bank overdrafts	-	3
Bankers’ acceptances	128,009	155,824
Term Loan	8,547	11,251
Trade Financing	52,433	26,986
Trust Receipt	46	10,092
Commodity Finance	10,000	-
Hire Purchase Payable	9,640	11,637
	208,675	215,793
(b) Current	195,894	201,600
Non-current	12,781	14,193
	208,675	215,793
(c) Denominated in Malaysia Ringgit	35,354	49,869
Denominated in US Dollar	155,129	99,668
Denominated in Thai Baht	18,192	66,256
	208,675	215,793

B12. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at date of this report.

**B13. Changes in Material Litigation**

The Group is not engaged in any material litigation either as plaintiff or defendant and the Board does not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

B14. Dividend

No dividend has been recommended or declared for current quarter and current financial period under review.

B15. Earnings Per Ordinary Share

The basic earnings per share for the current financial quarter and financial period have been calculated by dividing the net profit attributable to owners of the Company for the financial quarter and financial period by weighted average number of ordinary shares in issue during the financial quarter and financial period.

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Net profit attributable to owners of the Company (RM'000)	4,205	5,277	15,897	20,028
Weighted average number of ordinary shares outstanding ('000)	244,181	211,267	244,181	211,267
Basic earnings per ordinary share (sen)	1.72	2.50	6.51	9.48
Net profit attributable to owners of the Company (RM'000)	4,205	5,277	15,897	20,028
Weighted average number of ordinary shares outstanding ('000)	244,181	211,267	244,181	211,267
Adjusted for:				
Full exercise of warrants ('000)	57,621	57,621	57,621	57,621
Adjusted weighted average number of ordinary shares ('000)	301,802	268,888	301,802	268,888
Diluted earnings per ordinary share (sen)	1.39	1.96	5.27	7.45

B16. Notes to the Statement of Profit or Loss and Other Comprehensive Income

Profit before tax is stated after charging / (crediting):

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortization	8,182	6,833	24,701	20,355
Interest expense	1,934	2,961	6,434	8,556
Interest income	(74)	(88)	(447)	(261)
Net foreign exchange loss	611	1,717	1,376	2,339
Gain on disposal of property, plant and equipment	-	(297)	(1)	(297)

**B17. Realised or Unrealised Profits of the Group**

The following analysis of realised and unrealised profit of the Group is prepared in accordance with Guidance on Special Matter No. 1. Determination of Realised and Unrealised Profits in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad's Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	Cumulative Quarter Ended	
	31.03.2018	31.03.2017
	RM'000	RM'000
Total retained earnings of the Group		
- Realised	107,456	89,891
- Unrealised	1,369	3,098
	108,825	92,989
Less: Consolidation adjustments	575	811
Total retained earnings	109,400	93,800

The disclosure of realised and unrealised retained earnings above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purposes.

B18. Utilisation of Proceeds raised from The Completed Rights Issue and Private Placement

- (i) On 11 November 2015, the Company has completed the renounceable Rights Issue of 115,241,392 new ordinary shares of RM0.50 each in EG Industries Berhad ("EG") (Rights Shares) together with 57,620,696 free detachable warrants (Warrants) on the basis of three (3) Rights Shares for every two (2) existing ordinary shares of RM0.50 each held on 12 October 2015 together with one (1) Warrant for every two (2) Rights Shares subscribed at an issue price of RM0.50 per Rights Share ("Rights Issue with Warrants").

The details and status of the utilisation of proceeds of RM57.62 million from the Rights Issue with Warrants are as follows:

Details	Proposed Utilisation	Actual Utilisation 31.03.18	Intended Timeframe of Utilisation
	RM'000	RM'000	(from 11 Nov 2015)
Repayment of bank borrowings	2,960	2,960	Within 6 months
Purchase and upgrade of machinery	16,000	16,000	Within 24 months
Expansion and upgrade of factory	20,000	20,000	Within 12 months
Purchase of inventory such as electronic component, printed circuit board and plastic resin	5,000	5,000	Within 12 months
Acquisition of new businesses or assets	8,000	8,000	Within 24 months
Working capital	3,660	3,660	Within 12 months
Expenses relating to the Proposals	2,000	2,000	Immediately
	57,620	57,620	

**B18. Utilisation of Proceeds raised from The Completed Rights Issue and Private Placement (Continued)**

- (ii) On 19 October 2017, the Company has completed the Rights Issue of 52,890,970 Redeemable Convertible Preference Shares (RCPS) together with 52,890,970 Bonus Shares issued pursuant to the Rights Issue and Bonus Issue respectively and 11,342,586 additional Warrants-C issued pursuant to the Rights Adjustments. (“Rights Issue of RCPS”).

The details and status of the utilisation of proceeds of RM50.25 million from the Rights Issue of RCPS are as follows:

Details	Proposed Utilisation RM'000	Actual Utilisation 31.03.18 RM'000	Intended Timeframe of Utilisation (from 19 Oct 2017)
Purchase of equipment and machinery	15,000	1,998	Within 18 months
Purchase of raw materials for box-build segment	10,000	10,000	Within 12 months
Expansion of R&D facilities	1,400	-	Within 12 months
Acquisition of intellectual property	1,000	-	Within 12 months
Repayment of bank borrowings	10,000	10,000	Within 12 months
Acquisition of new businesses or assets	10,000	-	Within 24 months
Working capital comprising general operating expenses and salaries	746	746	Within 12 months
Estimated expenses in relation to the Corporate Exercises	2,100	2,100	Within 2 months
	50,246	24,844	

BY ORDER OF THE BOARD

KANG PANG KIANG
GROUP CHIEF EXECUTIVE OFFICER/ EXECUTIVE DIRECTOR

24 MAY 2018