



EG INDUSTRIES BERHAD

Registration No. 199101012585 (222897-W)
(Incorporated in Malaysia)

Interim Financial Statements For The Financial Period Ended 30 September 2023



EG INDUSTRIES BERHAD

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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023**

	Note	<u>Individual Quarter</u>			<u>Cumulative Quarter</u>		
		3 months ended		Changes %	3 months ended		Changes %
		30.09.2023 RM'000 (Unaudited)	30.09.2022 RM'000 (Unaudited)		30.09.2023 RM'000 (Unaudited)	30.09.2022 RM'000 (Unaudited)	
Revenue		259,850	380,334	-31.7	259,850	380,334	-31.7
Operating profit		27,500	22,270	23.5	27,500	22,270	23.5
Interest income		506	32	1,481.3	506	32	1,481.3
Interest expense		(6,777)	(2,848)	138.0	(6,777)	(2,848)	138.0
Depreciation and amortisation		(10,180)	(10,212)	-0.3	(10,180)	(10,212)	-0.3
Share of profit of equity- accounted associate, net of tax		55	39	41.0	55	39	41.0
Profit before tax		11,104	9,281	19.6	11,104	9,281	19.6
Tax expense	B4	(323)	(311)	3.9	(323)	(311)	3.9
Profit for the financial period		10,781	8,970	20.2	10,781	8,970	20.2
Other comprehensive income, net of tax							
<i>Item that will not be reclassified subsequently to profit or loss</i>							
Net change in fair value of equity instruments designated at fair value through other comprehensive income ("FVOCI")		(259)	(443)	-41.5	(259)	(443)	-41.5
		(259)	(443)	-41.5	(259)	(443)	-41.5
<i>Items that are or may subsequently be reclassified to profit or loss</i>							
Foreign currency translation differences for foreign operations		(1,073)	(6,391)	-83.2	(1,073)	(6,391)	-83.2
		(1,073)	(6,391)	-83.2	(1,073)	(6,391)	-83.2
Other comprehensive expense for the financial period, net of tax		(1,332)	(6,834)	-80.5	(1,332)	(6,834)	-80.5
Total comprehensive income for the financial period		9,449	2,136	342.4	9,449	2,136	342.4



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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023 (CONTINUED)**

	Note	<u>Individual Quarter</u> 3 months ended		Changes %	<u>Cumulative Quarter</u> 3 months ended		Changes %
		30.09.2023 RM'000 (Unaudited)	30.09.2022 RM'000 (Unaudited)		30.09.2023 RM'000 (Unaudited)	30.09.2022 RM'000 (Unaudited)	
Profit attributable to:							
Owners of the Company		10,781	8,970	20.2	10,781	8,970	20.2
Non-controlling interest		-	-	-	-	-	-
		<u>10,781</u>	<u>8,970</u>	20.2	<u>10,781</u>	<u>8,970</u>	20.2
Total comprehensive income attributable to:							
Owners of the Company		9,449	2,136	342.4	9,449	2,136	342.4
Non-controlling interest		-	-	-	-	-	-
		<u>9,449</u>	<u>2,136</u>	342.4	<u>9,449</u>	<u>2,136</u>	342.4
Basic earnings per ordinary share (sen)	B12	<u>2.33</u>	<u>2.15</u>	8.4	<u>2.33</u>	<u>2.15</u>	8.4
Diluted earnings per ordinary share (sen)	B12	<u>2.33</u>	<u>2.15</u>	8.4	<u>2.33</u>	<u>2.15</u>	8.4

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audited Financial Statements as at 30 June 2023. The accompanying notes are an integral part of this statement.


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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

	Note	As at 30.09.2023 RM'000 (Unaudited)	As at 30.06.2023 RM'000 (Audited)
ASSETS			
Property, plant and equipment		289,641	259,053
Right-of-use assets		46,004	46,754
Investment properties		14,713	14,664
Investment in associates		5,103	2,443
Other investments		5,895	14,723
Intangible assets		10,785	10,868
Deferred tax assets		1,570	1,570
Total non-current assets		373,711	350,075
Trade and other receivables	B5	256,717	248,454
Inventories		546,609	560,091
Current tax assets		67	57
Fixed deposits with licensed banks		1,093	1,076
Cash and bank balances		61,967	52,580
Total current assets		866,453	862,258
TOTAL ASSETS		1,240,164	1,212,333
EQUITY			
Share capital		244,910	204,310
Treasury shares		(8,043)	(8,043)
Reserves		252,163	242,714
Total equity attributable to owners of the Company		489,030	438,981
Non-controlling interests		(217)	(217)
Total equity		488,813	438,764
LIABILITIES			
Lease liabilities		8,291	8,291
Loans and borrowings	B8	94,673	60,886
Provision for retirement benefits		792	796
Total non-current liabilities		103,756	69,973
Lease liabilities		4,463	6,025
Loans and borrowings	B8	357,010	375,248
Trade and other payables		284,516	320,999
Provision for warranties		632	632
Current tax liabilities		974	692
Total current liabilities		647,595	773,569
Total liabilities		751,351	612,294
TOTAL EQUITY AND LIABILITIES		1,240,164	1,212,333
Net assets per ordinary share (RM)		1.09	1.06

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements as at 30 June 2023. The accompanying notes are an integral part of this Statement of Financial Position.



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023**

	← Non-distributable →					Distributable		Total RM'000	Non- controlling interest RM'000	Total equity RM'000
	Share capital RM'000	RCPS - equity component RM'000	Treasury shares RM'000	Fair value reserve RM'000	Translation reserve RM'000	Capital reserve RM'000	Retained earnings RM'000			
At 1 July 2022	188,060	7,078	(8,043)	(4,337)	10,713	28,558	163,431	385,460	(217)	385,243
Foreign currency translation differences for foreign operations	-	-	-	-	(6,391)	-	-	(6,391)	-	(6,391)
Net change in fair value of equity instruments designated at FVOCI	-	-	-	(443)	-	-	-	(443)	-	(443)
Total other comprehensive expense for the financial period	-	-	-	(443)	(6,391)	-	-	(6,834)	-	(6,834)
Profit for the financial period	-	-	-	-	-	-	8,970	8,970	-	8,970
Total comprehensive (expense)/ income for the financial period	-	-	-	(443)	(6,391)	-	8,970	2,136	-	2,136
Conversion of RCPS to ordinary shares	475	(475)	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	475	(475)	-	-	-	-	-	-	-	-
At 30 September 2022 (Unaudited)	188,535	6,603	(8,043)	(4,780)	4,322	28,558	172,401	387,596	(217)	387,379



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023 (CONTINUED)**

	← Non-distributable →				Distributable		Total RM'000	Non- controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Fair value reserve RM'000	Translation reserve RM'000	Capital reserve RM'000	Retained earnings RM'000			
At 1 July 2023	204,310	(8,043)	(4,108)	18,726	28,558	199,538	438,981	(217)	438,764
Foreign currency translation differences for foreign operations	-	-	-	(1,073)	-	-	(1,073)	-	(1,073)
Net change in fair value of equity instruments designated at FVOCI	-	-	(259)	-	-	-	(259)	-	(259)
Total other comprehensive expense for the financial period	-	-	(259)	(1,073)	-	-	(1,332)	-	(1,332)
Profit for the financial period	-	-	-	-	-	10,781	10,781	-	10,781
Total comprehensive (expense)/ income for the financial period	-	-	(259)	(1,073)	-	10,781	9,449	-	9,449
Private placement	40,600	-	-	-	-	-	40,600	-	40,600
Total transactions with owners of the Company	40,600	-	-	-	-	-	40,600	-	40,600
At 30 September 2023 (Unaudited)	244,910	(8,043)	(4,367)	17,653	28,558	210,319	489,030	(217)	488,813

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements as at 30 June 2023. The accompanying notes are integral part of this statement.



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023**

	30.09.2023	30.09.2022
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit before tax from continuing operations	11,104	9,281
Adjustments for:		
Depreciation of property, plant and equipment	9,331	9,436
Depreciation of right-of-use assets	750	592
Depreciation of investment properties	16	16
Amortisation of intangible assets	83	168
Interest expense	6,777	2,848
Dividend income	-	(252)
(Gain)/Loss on disposal of property, plant and equipment	(63)	85
Loss/(Gain) on disposal of other investments	257	(657)
Interest income	(507)	(32)
Fair value (loss)/gain on financial instruments mandatorily measured at fair value through profit or loss	286	(3,301)
Share of results of an associate	(55)	(39)
Loss on foreign exchange, net - unrealised	12,985	18,279
Operating profit before changes in working capital	40,964	36,424
Inventories	12,158	20,948
Trade and other receivables	(7,478)	(151,740)
Trade and other payables	(58,810)	81,292
Cash used in operations	(13,166)	(13,076)
Tax paid	(51)	(17)
Dividend received	-	252
Net cash used in operating activities	(13,217)	(12,841)
Cash flows from investing activities		
Additional investment in an associate	(2,605)	-
Acquisition of property, plant & equipment	(9,123)	(21,213)
Acquisition of investment properties	(65)	-
Interest received	507	32
Proceeds from disposal of property, plant and equipment	89	1
Proceeds from disposal of other investments	8,027	2,834
Proceeds from disposal of right-of-use assets	-	48
Net cash used in investing activities	(3,170)	(18,298)
Cash flows from financing activities		
Issue of shares pursuant to private placement	40,600	-
(Repayment)/Drawdown of bank borrowings, net	(12,096)	44,615
Drawdown of lease liabilities	-	726
Repayment of lease liabilities	(1,562)	(914)
Drawdown/(Repayment) of term loans, net	6,100	(1,573)
Dividend paid	-	(198)
Interest paid	(6,777)	(2,848)
Placement of pledged deposits	(17)	(103)
Net cash generated from financing activities	26,248	39,705

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023 (CONTINUED)**

	30.09.2023	30.09.2022
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Net increase in cash and cash equivalents	9,861	8,566
Effect of exchange rate fluctuation on cash and bank balances	(474)	(91)
Cash and cash equivalents at 1 July 2023/2022	52,580	9,768
Cash and cash equivalents at 30 September	61,967	18,243

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements as at 30 June 2023. The accompanying notes are an integral part of this statement.



A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A1. Basis of Preparation

The 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 of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2023. The explanatory notes attached to the interim financial statements provide explanation of 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 2023.

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 financial year ended 30 June 2023, except for the following:

Standards issued but not yet effective

The following are accounting standards, interpretations and amendments that have been issued by the MASB but have not been adopted by the Group:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101, Presentation of Financial Statements – Disclosure of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform – Pillar Two Model Rules

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements – Non-Current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendment to MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendment to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

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 Group plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable in the respective financial years when the abovementioned standards, interpretations and amendments become effective.



A2. Significant Accounting Policies (continued)

Standards issued but not yet effective (continued)

The Group does not plan to apply MFRS 17, Insurance Contracts and Amendments to MFRS 17, Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information that is effective for annual periods beginning on or after 1 January 2023 as it is not applicable to the Group.

The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group.

A3. Auditors' Report of Preceding Annual Audited Financial Statements

The auditors' report on financial statements for the financial year ended 30 June 2023 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. Material Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income and cash flows during the current financial quarter under review.

A6. Material Changes in Estimates

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

A7. Changes in Debts and Equity Securities

During the current financial quarter, the Company increased its issued and paid-up share capital by way of issuance of 35,928,700 new ordinary shares at an issue price of RM1.13 per ordinary share for RM40,599,431 pursuant to the third tranche of its Private Placement Exercise.

As at 30 September 2023, the Company held 17,585,900 of its shares as treasury shares. The number of outstanding ordinary shares in issue after deducting treasury shares held is 450,216,074.

Save as disclosed above, there were no issuance and repayment of debts and equity securities, share cancellations or resale of treasury shares during the financial period ended 30 September 2023.

A8. Dividend Paid

No dividend has been paid during the current financial quarter ended 30 September 2023.

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A9. Segmental Reporting

	Individual Quarter Ended			Cumulative Quarter Ended		
	30.09.2023 RM'000 (Unaudited)	30.09.2022 RM'000 (Unaudited)	Changes %	30.09.2023 RM'000 (Unaudited)	30.09.2022 RM'000 (Unaudited)	Changes %
Segment revenue						
- Electronic						
Manufacturing						
Services	259,849	380,259	-31.7	259,849	380,259	-31.7
- Other	1	75	-98.7	1	75	-98.7
Total Segment Revenue	<u>259,850</u>	<u>380,334</u>	-31.7	<u>259,850</u>	<u>380,334</u>	-31.7
Segment result						
- Electronic						
Manufacturing						
Services	13,480	6,011	124.3	13,480	6,011	124.3
- Other	(2,376)	3,270	-172.7	(2,376)	3,270	-172.7
Profit before tax	<u>11,104</u>	<u>9,281</u>	19.6	<u>11,104</u>	<u>9,281</u>	19.6
Segment assets						
- Electronic						
Manufacturing						
Services	1,201,200	1,109,995	8.2	1,201,200	1,109,995	8.2
- Other	38,964	28,630	36.1	38,964	28,630	36.1
	<u>1,240,164</u>	<u>1,138,625</u>	8.9	<u>1,240,164</u>	<u>1,138,625</u>	8.9

A10. Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment during the current financial quarter.

A11. Changes in the Composition of the Group

On 14 August 2023, EG Operations Sdn. Bhd., a wholly owned subsidiary of the Company, has subscribed for 1,736,646 new ordinary shares of RM1.50 each in the capital of its 30% associated company, Genitronic (Malaysia) Sdn. Bhd., for a total consideration of RM2,604,369.

Save as disclosed above, there were no other material changes in the composition of the Group for the current financial quarter-under review.

A12. 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.

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A13. Capital Commitments

	As at 30.09.2023 RM'000 (Unaudited)	As at 30.06.2023 RM'000 (Audited)
Contracted but not provided for - Property, plant and equipment	21,630	61,485

A14. Material Subsequent Events

- i. On 17 October 2023, the Company proposed to undertake the proposed bonus issue of 225,108,037 warrants ("Warrant(s)") on the basis of 1 Warrant for every 2 existing ordinary shares held in EGIB held by the entitled shareholders of the Company on an entitlement date to be determined and announced later.
- ii. On 23 October 2023, EG Operations Sdn. Bhd. has subscribed for a further 1,736,646 new ordinary shares of RM1.50 each in the capital of its 30% associated company, Genitronic (Malaysia) Sdn. Bhd., for a total consideration of RM2,604,969.

Save as disclosed above, there were no material events or transactions subsequent to the end of current financial period ended 30 September 2023.

A15. Significant Related Party Transactions

Related party transactions have been entered into the normal course of business under normal trade terms. The significant related party transactions of the Group were as follows:

	As at 30.09.2023 RM'000 (Unaudited)	As at 30.06.2023 RM'000 (Audited)
Transactions with associates		
Advances given	195	49
Sales	11,572	44,769
Purchase of raw materials	(38)	(94)
Service charges	115	398

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 fair value is derived from quoted prices (unadjusted) in active markets for identical financial assets or liabilities that the Group can access at the measurement date;
- Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); or
- Level 3 fair value is estimated using unobservable inputs for the financial liabilities.

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.

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A16. Fair Value (continued)

	Fair value of financial instruments not 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		
30.09.2023						
Financial asset						
Quoted shares	5,895	5,895	-	-	5,895	5,895
Financial liabilities						
Term loans - variable rate	-	-	(107,507)	(107,507)	(107,507)	(107,507)
Lease liabilities	-	-	(13,298)	(13,298)	(13,298)	(12,754)
	-	-	(120,805)	(120,805)	(120,805)	(120,261)
30.06.2023						
Financial asset						
Quoted shares	14,723	14,723	-	-	14,723	14,723
Financial liabilities						
Term loans - variable rate	-	-	(68,458)	(68,458)	(68,458)	(68,458)
Lease liabilities	-	-	(14,965)	(14,965)	(14,965)	(14,316)
	-	-	(83,423)	(83,423)	(83,423)	(82,774)

There has been no transfer between the fair value levels during the financial period-to-date and the comparative period.

**B. ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF BURSA MALAYSIA LISTING REQUIREMENTS****B1. Review of Performance****Comparison with preceding year corresponding quarter**

The Group reported revenue of RM259.9 million for the first quarter ended 30 September 2023, a decrease of 31.7% as compared to RM380.3 million in the previous year's corresponding quarter. The was mainly due to deferment of sales order from consumer electronic, 5G wireless access and photonics modular related products to the forthcoming quarters as a result of the slow-down of the global economic activities and decades-high inflation worldwide.

Nevertheless, the increase in profit before tax by 19.6% to RM11.1 million, up from RM9.3 million in the previous year's corresponding quarter was mainly due to better margin generated and decrease in the unrealised foreign exchange losses.

Comparison with immediate preceding quarter

Description	1 st Quarter 2024 RM'000 (Unaudited)	4 th Quarter 2023 RM'000 (Restated)	Increase/(Decrease)	
			RM'000	%
Revenue	259,850	242,924	16,926	7.0%
Profit before tax	11,104	12,509	(1,405)	-11.2%
Profit for the period	10,781	10,210	571	5.6%

Revenue for the current financial quarter was RM16.9 million higher than RM242.9 million generated in the immediate preceding quarter. However, less favourable product sales mix and increased finance cost has resulted the Group's profit before tax to reduce from RM12.5 million in the immediate preceding quarter to RM11.1 million.

B2. Prospect

The Group is mindful of several challenges, including facing stiff competition from other Malaysia and overseas-based electronic manufacturing services players, potentially unfavorable foreign currency fluctuations and hike in interest rate. To capture growth in this highly-competitive environment, the Group has put in place strategies to increase involvement in upstream activities and improve yields.

As part of the future growth plans, the Group is building a new Smart Factory 4.0 in Batu Kawan, Penang that is earmarked to produce next-generation technologies, including the 5G optical modules using the photonics and semiconductor technologies, and high-speed 5G switches and network products using co-packaged optics technology. The new factory is anticipated to commence operations by second half of 2024.

In addition, the Group's collaboration with other global players to set up the Lights-Out Smart Factory 4.0 is expected to eventually open a new revenue stream for EGIB to deploy in-house produced 5G high-speed technology in other Lights-Out factory setups for other technology players.

Furthermore, the Group plans to setup Global Smart Warehouse and International Procurement Centre in the newly built warehouses in Sungai Petani, Kedah that will allow global customers to monitor inventories in real time and benefit from greater cost advantages, thus incentivising them to move their overseas-located storage hubs to Malaysia for better coordination and efficiency. This shall eventually serve as a new income stream for the Group.

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B2. Prospect (continued)

These plans are anticipated to assist the Group in expanding its market share and boost profitability for the long term. The Group remains steadfast in the vision to usher EGIB toward a trajectory of accelerated and sustainable growth in the coming years. Premised on the above, the Board envisages that the prospect of the Group remains favorable.

B3. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee for the current financial period-to-date.

B4. Tax Expense

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2023 RM'000 (Unaudited)	30.09.2022 RM'000 (Unaudited)	30.09.2023 RM'000 (Unaudited)	30.09.2022 RM'000 (Unaudited)
Income Tax	323	311	323	311
Deferred tax	-	-	-	-
Total tax expense	323	311	323	311

The effective tax rate of the Group for the current quarter and year to date is lower than the statutory income tax rate as one of its foreign subsidiary was granted promotional privileges under the Investment Promotional Act B.E. 2520 for a period of eight years from the date the income is first derived and a fifty percent reduction in the normal income tax rate on the net profit derived from promoted business for a period of five years for the manufacturing of printed circuit boards.

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B5. Trade and Other Receivables

The trade and other receivables of the Group were as follows:

	As at 30.09.2023 RM'000 (Unaudited)	As at 30.06.2023 RM'000 (Audited)
Trade	245,290	243,858
Non-trade	11,427	4,596
	256,717	248,454
	256,717	248,454

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 follows:

	As at 30.09.2023 RM'000 (Unaudited)	As at 30.06.2023 RM'000 (Audited)
Not past due	164,747	158,644
Past due 1 - 30 days	71,750	68,823
Past due 31 - 60 days	5,183	13,905
Past due 61 - 90 days	915	616
	242,595	241,988
Credits impaired		
Past due more than 90 days	2,695	1,870
	245,290	243,858
	245,290	243,858

B6. Profit/(Loss) on Sale of Unquoted Investment and/or Property

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

B7. Corporate Proposals**Proposed Bonus Issue of Warrants**

On 17 October 2023, the Company proposed to undertake a bonus issue of 225,108,037 warrants ("Warrant(s)") on the basis of 1 Warrant for every 2 existing ordinary shares held in EGIB ("EGIB Share(s)" or "Share(s)") held by the entitled shareholders on an entitlement date to be determined and announced later.

The shareholders have unanimously approved the Proposed Bonus Issue of Warrant via the Extraordinary General Meeting held on 29 November 2023.

Saved as disclosed above, there were no other corporate proposals which had been announced by the Company and are pending for completion as of to date.

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B8. Group Borrowings and Debt Securities

	As at 30.09.2023 RM'000 (Unaudited)	As at 30.06.2023 RM'000 (Audited)
(a) Secured		
Bankers' acceptances	315,151	332,293
Trust receipt	14,645	20,049
Term loans	107,507	68,458
Trade financing	5,000	6,000
Revolving credits	9,380	9,334
	<u>451,683</u>	<u>436,134</u>
(b) Denominated in Malaysia Ringgit	23,763	15,798
Denominated in US Dollar	427,920	420,336
	<u>451,683</u>	<u>436,134</u>

B9. 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.

B10. Dividend Declared

No dividend has been recommended or declared for the current financial quarter.

B11. Notes to the Statement of Profit or Loss and Other Comprehensive Income

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

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2023 RM'000 (Unaudited)	30.09.2022 RM'000 (Unaudited)	30.09.2023 RM'000 (Unaudited)	30.09.2022 RM'000 (Unaudited)
Depreciation and amortisation	10,180	10,212	10,180	10,212
Interest expense	6,777	2,848	6,777	2,848
Interest income	(507)	(32)	(507)	(32)
(Gain)/Loss on foreign exchange, net				
- realised	(8,737)	(3,707)	(8,737)	(3,707)
- unrealised	12,985	18,279	12,985	18,279
(Gain)/Loss on disposal of property, plant and equipment	(63)	85	(63)	85
Loss/(Gain) on disposal of other investments	257	(657)	257	(657)
Fair value loss/(gain) on financial instruments mandatorily measured at fair value through profit or loss	286	(3,301)	286	(3,301)

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B12. Earnings Per Ordinary Share**Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share for the financial period ended 30 September 2023 was based on the profit attributable to ordinary shareholders as follows:

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit attributable to ordinary shareholders	10,781	8,970	10,781	8,970
Weighted average number of ordinary shares outstanding ('000)	462,725	416,877	462,725	416,877
Basic earnings per ordinary share (sen)	2.33	2.15	2.33	2.15

Diluted earnings per ordinary share

The diluted earnings per share has been computed based on adjusted earnings attributable to ordinary shareholders divided by the adjusted weighted average number of ordinary shares outstanding after adjusting the effect of all dilutive potential ordinary shares calculated as follows:

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit attributable to ordinary shareholders	10,781	8,970	10,781	8,970
Weighted average number of ordinary shares used in the calculation of basic earnings per share ('000)	462,725	416,877	462,725	416,877
Effect of conversion of RCPS ('000)	-	*	-	*
Weighted average number of ordinary shares ('000)	462,725	416,877	462,725	416,877
Diluted earnings per ordinary share (sen)	2.33	2.15	2.33	2.15

* Effect of the potential incremental shares from RCPS was not taken into account in the computation of diluted earnings per share as the exercise price RCPS is higher than the average market price of the Company's ordinary shares.

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B13. Utilisation of Proceeds

On 14 July 2023, the Company had completed a private placement of 40,928,700 ordinary shares in three tranches by raising total gross proceeds of RM46.97 million.

As at 30 September 2023, the status of utilisation of proceeds raised is as follows:

Details	Proposed utilisation (as per Circular) RM'000	Actual amount raised RM'000	Actual utilisation RM'000	Unutilised balance RM'000	Expected time frame for utilisation of proceeds (from listing date)
Business expansion					
- Construction of a two-storey factory	12,000	12,968	12,968	-	Within 12 months
- Building and setting up of 4 additional warehouses	4,000	4,000	1,500	2,500	Within 12 months
General working capital	5,908	29,674	29,674	-	Within 6 months
Expenses for the Proposed Private Placement	500	329	329	-	Immediate
Total	22,408	46,971	44,471	2,500	

BY ORDER OF THE BOARD

DATO' KANG PANG KIANG
GROUP CHIEF EXECUTIVE OFFICER/ EXECUTIVE DIRECTOR
29 NOVEMBER 2023