



EG INDUSTRIES BERHAD

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

Interim Financial Statements For The Quarter Ended 31 March 2026


EG INDUSTRIES BERHAD

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE THIRD QUARTER ENDED 31 MARCH 2026**

	Note	<u>Individual Quarter</u>		Changes %	<u>Cumulative Quarter</u>		Changes %
		3 months ended			9 months ended		
		31.03.2026 RM'000 (Unaudited)	31.03.2025 RM'000 (Unaudited)		31.03.2026 RM'000 (Unaudited)	31.03.2025 RM'000 (Unaudited)	
Revenue		301,557	300,620	0.3	1,025,465	982,296	4.4
Operating profit		46,706	31,887	46.5	153,129	122,247	25.3
Interest income		353	324	9.0	1,038	1,003	3.5
Interest expense		(7,126)	(8,229)	(13.4)	(22,064)	(24,477)	(9.9)
Depreciation and amortisation		(17,262)	(13,294)	29.8	(50,436)	(40,789)	23.7
Share of profit of equity- accounted associate, net of tax		36	524	(93.1)	106	718	(85.2)
Profit before tax		22,707	11,212	102.5	81,773	58,702	39.3
Tax expense	B4	(350)	(60)	483.3	(1,750)	(728)	140.4
Profit for the financial period		22,357	11,152	100.5	80,023	57,974	38.0
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")		(1,064)	585	(281.9)	101	(2,316)	(104.4)
		(1,064)	585	(281.9)	101	(2,316)	(104.4)
<i>Items that are or may subsequently be reclassified to profit or loss</i>							
Foreign currency translation differences for foreign operations		(6,186)	4,725	(230.9)	(8,950)	7,008	(227.7)
		(6,186)	4,725	(230.9)	(8,950)	7,008	(227.7)
Other comprehensive (expense)/income for the financial period, net of tax		(7,250)	5,310	(236.5)	(8,849)	4,692	(288.6)
Total comprehensive income for the financial period		15,107	16,462	(8.2)	71,174	62,666	13.6



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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 MARCH 2026 (CONTINUED)**

	Note	<u>Individual Quarter</u>		Changes %	<u>Cumulative Quarter</u>		Changes %
		3 months ended			9 months ended		
		31.03.2026 RM'000 (Unaudited)	31.03.2025 RM'000 (Unaudited)		31.03.2026 RM'000 (Unaudited)	31.03.2025 RM'000 (Unaudited)	
Profit attributable to:							
Owners of the Company		22,113	12,586	75.7	81,923	61,793	32.6
Non-controlling interest		244	(1,434)	(117.0)	(1,900)	(3,819)	(50.2)
		<u>22,357</u>	<u>11,152</u>	100.5	<u>80,023</u>	<u>57,974</u>	38.0
Total comprehensive income attributable to:							
Owners of the Company		14,863	17,896	(16.9)	73,074	66,485	9.9
Non-controlling interest		244	(1,434)	(117.0)	(1,900)	(3,819)	(50.2)
		<u>15,107</u>	<u>16,462</u>	(8.2)	<u>71,174</u>	<u>62,666</u>	13.6
Basic earnings per ordinary share (sen)	B12	<u>2.36</u>	<u>1.35</u>	74.8	<u>8.76</u>	<u>6.60</u>	32.7
Diluted earnings per ordinary share (sen)	B12	<u>2.12</u>	<u>1.26</u>	68.3	<u>7.87</u>	<u>6.18</u>	27.3

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 2025. The accompanying notes are an integral part of these interim financial statements.


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 Registration No. 199101012585 (222897-W)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Note	As at 31.03.2026 RM'000 (Unaudited)	As at 30.06.2025 RM'000 (Audited)
ASSETS			
Property, plant and equipment		612,416	537,246
Right-of-use assets		47,523	53,997
Investment properties		16,273	12,534
Investment in associates		36,437	3,129
Other investments		6,579	24,243
Intangible assets		16,141	16,735
Deferred tax assets		1,512	1,516
Total non-current assets		736,881	649,400
Inventories		629,360	615,895
Trade and other receivables	B5	301,487	196,999
Current tax assets		88	109
Fixed deposits with licensed banks		1,127	1,141
Cash and bank balances		106,351	97,317
Total current assets		1,038,413	911,461
TOTAL ASSETS		1,775,294	1,560,861
EQUITY			
Share capital		244,910	244,910
Treasury shares		(5,924)	(6,066)
Reserves		431,928	362,638
Total equity attributable to owners of the Company		670,914	601,482
Non-controlling interests		13,839	15,739
Total equity		684,753	617,221
LIABILITIES			
Lease liabilities		8,105	6,877
Loans and borrowings	B8	140,795	141,913
Provision for retirement benefits		428	444
Trade and other payables		73	76
Total non-current liabilities		149,401	149,310
Lease liabilities		912	8,113
Loans and borrowings	B8	489,044	452,542
Trade and other payables		449,551	330,995
Provision for warranties		650	650
Current tax liabilities		983	2,030
Total current liabilities		941,140	794,330
Total liabilities		1,090,541	943,640
TOTAL EQUITY AND LIABILITIES		1,775,294	1,560,861
Net assets per ordinary share (RM)		0.72	0.66

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements as at 30 June 2025. The accompanying notes are an integral part of these interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 MARCH 2026

	← Attributable to owners of the Company →						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	← Non-distributable →			Distributable					
	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 2024	244,910	(7,385)	(4,144)	10,863	30,189	245,570	520,003	8,160	528,163
Foreign currency translation differences for foreign operations	-	-	-	7,008	-	-	7,008	-	7,008
Net change in fair value of equity instruments designated at FVOCI	-	-	(2,316)	-	-	-	(2,316)	-	(2,316)
Total other comprehensive (expense)/income for the financial period	-	-	(2,316)	7,008	-	-	4,692	-	4,692
Profit for the financial period	-	-	-	-	-	61,793	61,793	(3,819)	57,974
Total comprehensive (expense)/income for the financial period	-	-	(2,316)	7,008	-	61,793	66,485	(3,819)	62,666
Treasury shares sold	-	1,319	-	-	4,535	-	5,854	-	5,854
Additional subscription of shares by non-controlling interest	-	-	-	-	-	-	-	7,491	7,491
Total transactions with owners of the Company	-	1,319	-	-	4,535	-	5,854	7,491	13,345
At 31 March 2025 (Unaudited)	244,910	(6,066)	(6,460)	17,871	34,724	307,363	592,342	11,832	604,174


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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 MARCH 2026 (CONTINUED)

	← Attributable to owners of the Company →						Total	Non-controlling interests	Total equity
	← Non-distributable →			Distributable					
	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	RM'000	RM'000	RM'000
At 1 July 2025	244,910	(6,066)	(15,699)	13,679	34,724	329,934	601,482	15,739	617,221
Foreign currency translation differences for foreign operations	-	-	-	(8,950)	-	-	(8,950)	-	(8,950)
Net change in fair value of equity instruments designated at FVOCI	-	-	101	-	-	-	101	-	101
Total other comprehensive income/(expense) for the financial period	-	-	101	(8,950)	-	-	(8,849)	-	(8,849)
Profit for the financial period	-	-	-	-	-	81,923	81,923	(1,900)	80,023
Total comprehensive income/ (expense) for the financial period	-	-	101	(8,950)	-	81,923	73,074	(1,900)	71,174
Dividend paid	-	-	-	-	-	(4,549)	(4,549)	-	(4,549)
Treasury shares sold	-	142	-	-	765	-	907	-	907
Transfer upon the reclassification of equity investment designated at fair value through other comprehensive income	-	-	8,283	-	-	(8,283)	-	-	-
Total transactions with owners of the Company	-	142	8,283	-	765	(12,832)	(3,642)	-	(3,642)
At 31 March 2026 (Unaudited)	244,910	(5,924)	(7,315)	4,729	35,489	399,025	670,914	13,839	684,753

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements as at 30 June 2025. The accompanying notes are integral part of these interim financial statement



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 MARCH 2026**

	31.03.2026	31.03.2025
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit before tax from continuing operations	81,773	58,702
Adjustments for:		
Depreciation of property, plant and equipment	46,712	35,892
Depreciation of right-of-use assets	3,050	3,879
Depreciation of investment properties	80	215
Amortisation of intangible assets	594	803
Interest expense	22,064	24,477
Dividend income	(1)	(1)
Loss on disposal of property, plant and equipment	222	2
Loss on disposal of right-of-use assets	12	-
Interest income	(1,038)	(1,003)
Share of results of an associate	(106)	(718)
(Gain)/ Loss on foreign exchange, net - unrealised	(4,481)	5,014
Operating profit before changes in working capital	148,881	127,262
Inventories	(13,465)	(13,048)
Trade and other receivables	(96,761)	104,138
Trade and other payables	116,792	(141,237)
Cash generated from operations	155,447	77,115
Tax paid	(2,776)	(88)
Dividend received	1	1
Net cash generated from operating activities	152,672	77,028
Cash flows from investing activities		
Subscription of shares in associates	(15,325)	(26,047)
Acquisition of:		
- property, plant & equipment	(124,994)	(48,460)
- right of use assets	(532)	(469)
- investment properties	(3,819)	(156)
Interest received	1,038	1,003
Proceeds from disposal of property, plant and equipment	806	7,055
Proceeds from disposal of right-of-use assets	169	48
Net cash used in investing activities	(142,657)	(67,026)
Cash flows from financing activities		
Proceeds from resale of treasury shares	907	5,854
Drawdown of bank borrowings, net	48,131	10,032
(Repayment)/Drawdown of lease liabilities, net	(5,973)	3,060
Repayment of term loans, net	(12,285)	(9,744)
Dividend paid	(4,549)	-
Interest paid	(22,064)	(24,477)
Placement of pledged deposits	14	-
Net cash generated from/(used in) financing activities	4,181	(15,275)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 MARCH 2026 (CONTINUED)**

	31.03.2026	31.03.2025
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Net increase/(decrease) in cash and cash equivalents	14,196	(5,273)
Effect of exchange rate fluctuation on cash and bank balances	(5,162)	(1,742)
Cash and cash equivalents at 1 July 2025/2024	97,317	89,237
Cash and cash equivalents at end of the period	106,351	82,222

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements as at 30 June 2025. The accompanying notes are an integral part of these interim financial statements.



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 Group’s audited financial statements for the financial year ended 30 June 2025. 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 2025.

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 2025, except for the following:

Adoption of new and amended standards

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, The Effects of Change in Foreign Exchange Rates - Lack of Exchangeability

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:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, Financial Instruments and MFRS 7 Financial Instruments: Disclosure – Amendments to the Classification and Measurement of Financial Instruments
- Amendments to MFRS 9, Financial Instruments and MFRS 7 Financial Instruments: Disclosure – Contract Referencing Nature-dependent Electricity
- Amendments to MFRS Accounting Standards, Amendments that are part of Annual Improvements – Volume 11

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, Presentation and Disclosure in Financial Statements
- MFRS 19, Subsidiaries without Public Accountability: Disclosures
- Amendments to MFRS 19, Subsidiaries without Public Accountability: Disclosures

MFRS Accounting Standards, 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



A2. Significant Accounting Policies (continued)

Standards issued but not yet effective (continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed (continued)

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.

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 2025 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 in the current financial quarter.

A7. Changes in Debts and Equity Securities

During the financial period-to-date, the Company disposed of 620,000 treasury shares for a total net consideration of RM0.9 million, after deducting transaction costs, at an average price of RM1.46 per share. The RM0.8million gain from the resale of the 620,000 treasury shares was credited to the capital reserve.

As at 31 March 2026, the Company held 25,903,800 of its shares as treasury shares, and the number of outstanding ordinary shares in issue after deducting treasury shares held is 909,700,148. For illustrative purposes, assuming the entire 25,903,800 treasury shares are resold at the 5-market day volume-weighted average price ("VWAP") of RM1.09 per share, based on the closing price as of 31 March 2026, there will be an estimated RM22.2 million gain on disposal of treasury shares to be credited to the capital reserve.

Save as disclosed above, there were no other issuance and repayment of debts and equity securities, share cancellations or resale of treasury shares during the financial period ended 31 March 2026.

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A8. Dividend Paid

An interim single-tier tax exempt dividend of 0.5 sen per share, totaling RM4,548,500 (2024: RM4,545,400) in respect of the financial year ended 30 June 2025 was declared by the Board on 27 August 2025 and subsequently paid on 21 November 2025.

A9. Changes in the Composition of the Group

EG Industries Bhd (“EGIB”) had on 13 February 2026 submitted a Voluntary Partial Tender Offer (“PTO”) to acquire up to an additional 80,000,000 ordinary shares in N.D. Rubber Public Company Limited (“NDR”), representing not more than 17.51% of NDR’s total issued and paid-up ordinary shares, at the price of THB1.50 per share from NDR’s existing shareholders.

The PTO was completed on 27 March 2026, resulting in the Group’s total shareholding in NDR increasing from 110 million to 190 million ordinary shares, representing 41.59% of NDR’s total issued and paid-up share capital. Following the completion of PTO, the Group obtained significant influence over NDR and accordingly, the investment in NDR was reclassified from an other investment to an associate of the Group.

Save as disclosed above, there were no other material changes in the composition of the Group for the current financial period-to-date.

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. Segmental Reporting

	Individual Quarter Ended			Cumulative Quarter Ended		
	31.03.2026 RM’000 (Unaudited)	31.03.2025 RM’000 (Unaudited)	Change %	31.03.2026 RM’000 (Unaudited)	31.03.2025 RM’000 (Unaudited)	Change %
Segment revenue						
- Electronic						
Manufacturing						
Services	301,549	300,620	0.3	1,025,457	982,295	4.4
- Other	8	-	0.0	8	1	700.0
Total Segment Revenue	<u>301,557</u>	<u>300,620</u>	0.3	<u>1,025,465</u>	<u>982,296</u>	4.4
Segment result						
- Electronic						
Manufacturing						
Services	23,760	12,285	93.4	85,473	61,964	37.9
- Other	(1,053)	(1,073)	(1.9)	(3,700)	(3,262)	13.4
Profit before tax	<u>22,707</u>	<u>11,212</u>	102.5	<u>81,773</u>	<u>58,702</u>	39.3

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A12. Subsequent Events

SMT Technologies Sdn. Bhd., a wholly-owned subsidiary of the Company, is planning to acquire a five-storey commercial building located at No.1-A, Hadapan Sekolah Che Tom, Sungai Petani, Kedah, for a total purchase consideration of RM4,300,000. A deposit of RM96,000 was paid in previous financial year, followed by a further deposit payment of RM334,000 made on 15 April 2026. The total deposit of RM430,000, representing 10% of the purchase consideration, was therefore completed on 15 April 2026. The remaining balance shall be settled within three months in accordance with the agreed terms. However, the sale and purchase agreement has not been executed as at the date of this report.

Save as disclosed above, there were no material events or transactions subsequent to the end of the current quarter under review.

A13. Capital Commitments

	As at 31.03.2026 RM'000 (Unaudited)	As at 30.06.2025 RM'000 (Audited)
Authorised and contracted for		
- Construction of factory building	112,740	73,204
- Property, plant and equipment	-	18,987
Authorised but not contracted for		
- Property, plant and equipment	1,539	4,204

A14. 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 31.03.2026 RM'000 (Unaudited)	As at 30.06.2025 RM'000 (Audited)
(a) Transactions with a related party		
Purchase of test services	(29,405)	(30,003)
Rental of premise	630	840
(b) Transactions with an associate		
Sales	20,084	24,142
Purchase of raw materials	-	(3)
Service charges	70	98
Buy-back of materials	-	37
Advances (from)/given	-	45

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A15. 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.

	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	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
31.03.2026										
Financial asset										
Quoted shares	6,579	-	-	6,579	-	-	-	-	6,579	6,579
Financial liabilities										
Term loans - variable rate	-	-	-	-	-	-	(144,360)	(144,360)	(144,360)	(144,360)
Lease liabilities	-	-	-	-	-	-	(8,618)	(8,618)	(8,618)	(9,017)
	-	-	-	-	-	-	(152,978)	(152,978)	(152,978)	(153,377)

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A15. Fair Value (continued)

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: (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	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
30.06.2025										
Financial asset										
Quoted shares	7,722	16,521	-	24,243	-	-	-	-	24,243	24,243
Financial liabilities										
Term loans - variable rate	-	-	-	-	-	-	(156,645)	(156,645)	(156,645)	(156,645)
Lease liabilities	-	-	-	-	-	-	(15,784)	(15,784)	(15,784)	(14,990)
	-	-	-	-	-	-	(172,429)	(172,429)	(172,429)	(171,635)

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				Comparison with preceding year corresponding period			
	Individual Quarter Ended				Cumulative Quarter Ended			
	31.03.2026 RM'000	31.03.2025 RM'000	Changes		31.03.2026 RM'000	31.03.2025 RM'000	Changes	
			RM'000	%			RM'000	%
Revenue	301,557	300,620	937	0.3	1,025,465	982,296	43,169	4.4
Profit before tax	22,707	11,212	11,495	102.5	81,773	58,702	23,071	39.3
Profit after tax & minority Interest ("PATAMI")	22,113	12,586	9,527	75.7	81,923	61,793	20,130	32.6
Core Profit ^{N1}	22,965	17,765	5,200	29.3	72,033	57,963	14,070	24.3

^{N1} – Core Profit is the adjusted PATAMI, excluding forex gain/(loss)

Comparison with preceding year's corresponding quarter

For the current quarter under review, the Group recorded revenue of RM301.6 million, compared to RM300.6 million in the corresponding quarter of the preceding year. The increase was mainly attributable to higher sales contributions from the Group's 5G Optical Modules and wireless broadband-related products.

Notwithstanding the relatively stable revenue performance, the Group's profit before tax ("PBT") increased significantly by 102.5% to RM22.7 million from RM11.2 million in the corresponding quarter of the preceding year. The strong improvement in profitability was primarily attributable to a more favourable product sales mix and improved production yields from the Group's higher-margin 5G Optical Modules and wireless broadband related products, as well as favourable foreign exchange gain arising from the strengthening of Ringgit Malaysia against United States Dollar.

Comparison with preceding year's corresponding period

For the financial period under review, the Group recorded revenue of RM1.03 billion, representing an increase of 4.4% from RM982.3 million recorded in the corresponding period of the preceding year.

While revenue grew by 4.4%, the Group delivered a substantially stronger earnings performance, with PBT increased by 39.3% to RM81.8 million from RM58.7 million in the corresponding period of the preceding year. The improved performance was principally driven by a more favourable product sales mix, enhanced profit margins and production yields from the Group's higher-margin 5G Optical Modules and wireless broadband-related products, coupled with higher forex gain arising from the strengthening of Ringgit Malaysia during the financial period.

Comparison with immediate preceding quarter

	3Q 2026 RM'000 (Unaudited)	2Q 2026 RM'000 (Unaudited)	Increase/(Decrease)	
			RM'000	%
Revenue	301,557	379,508	(77,951)	(20.5)
Profit before tax	22,707	34,574	(11,867)	(34.3)
PATAMI	22,113	35,566	(13,453)	(37.8)
Core Profit ^{N1}	22,965	25,120	(2,155)	(8.6)



B1. Review of Performance (continued)

Comparison with immediate preceding quarter (continued)

The Group recorded revenue of RM301.6 million for the current financial quarter, compared to RM379.5 million in the immediate preceding quarter. The lower revenue was primarily attributable to fewer working days arising from festive holidays resulting in a higher proportion of customer orders were delivered ahead of the festive holiday period, coupled with the effects of heightened geopolitical tensions in the Middle East.

Excluding the effects of foreign exchange movements, the Group achieved its highest quarterly core profit margin to date at 7.6%, compared with 6.6% in the immediate preceding quarter. The improved performance was driven by the Group's resilient operational execution, higher yields %, favourable product mix and stable margins.

B2. Prospect

The Group has successfully transformed into an upstream components total solutions provider through the expansion of its advanced photonics Optical Modules and related components business. The Group is well-positioned to benefit from growing demand for high-speed connectivity solutions driven by the proliferation of artificial intelligence ("AI") applications and next-generation networking technologies.

The Group remains positive on its prospects for the calendar year 2026, supported by sustained demand for its advanced 5G Optical Modules, wireless broadband and data centre-related products. The continued expansion of artificial intelligence ("AI") applications, hyperscale data centres and next-generation networking infrastructure is expected to drive demand for 800G and future 1.6T Optical Modules, AI modules and network switching solutions.

The Group's earnings visibility has been further strengthened by the recent award of a USD241.6 million purchase order from an existing U.S.-based customer for the supply of 800G optical modules and wireless broadband-related products. The purchase order is expected to contribute positively to the Group's financial performance in financial year 2026 and 2027. In addition, the Group is progressively ramping up production of 800G optical modules at its Batu Kawan facility to support increasing demand from global AI and data centre applications.

In Thailand, the development of the Group's new manufacturing facility on the newly acquired 4.95-acre industrial land in Prachinburi is progressing according to schedule and is expected to be completed before the end of 2026. The facility is intended to support the Group's expansion into energy devices, electric vehicles-related components and data centre applications for Thailand's regional newly set up data centre. The additional capacity is expected to enhance the Group's operational capabilities, broaden its customer base and support its long-term growth strategy.

Barring any unforeseen circumstances, the Board remains cautiously optimistic on the Group's prospects for year 2026, supported by its newly secured confirmed purchase order, the ramp-up of 800G optical modules production, and ongoing regional capacity expansion initiatives. The Group remains committed to delivering sustainable growth and creating long-term value for its shareholders.

B3. Profit Forecast and Profit Guarantee

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

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B4. Tax Expense

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax	350	60	1,750	728
Deferred tax	-	-	-	-
Total tax expense	350	60	1,750	728

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 seven 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.

B5. Trade and Other Receivables

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

	As at	As at
	31.03.2026	30.06.2025
	RM'000	RM'000
	(Unaudited)	(Audited)
Trade	293,062	181,323
Non-trade	8,425	15,676
	301,487	196,999

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	As at
	31.03.2026	30.06.2025
	RM'000	RM'000
	(Unaudited)	(Audited)
Not past due	224,687	82,919
Past due 1 - 30 days	35,352	44,295
Past due 31 - 60 days	13,321	11,672
Past due 61 - 90 days	324	14,596
	273,684	153,482
Credits impaired		
Past due more than 90 days	19,378	27,841
	293,062	181,323

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.

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B7. Corporate Proposals

There was no corporate proposal which has been announced by the Company and is pending for completion as of to date.

B8. Group Borrowings and Debt Securities

	As at 31.03.2026 RM'000 (Unaudited)	As at 30.06.2025 RM'000 (Audited)
(a) Secured		
Bankers' acceptances	347,760	348,096
Term loans	144,360	156,645
Trade financing	56,000	27,280
Revolving credits	81,719	62,434
	629,839	594,455
(b) Denominated in Malaysia Ringgit	181,180	131,008
Denominated in US Dollar	448,659	463,447
	629,839	594,455

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 quarter ended 31 March 2026.

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	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation and amortisation	17,262	13,294	50,436	40,789
Interest expense	7,126	8,229	22,064	24,477
Interest income	(353)	(324)	(1,038)	(1,003)
(Gain)/Loss on foreign exchange, net				
- realised	(11,548)	2,314	(5,409)	(8,844)
- unrealised	12,400	2,865	(4,481)	5,014
Loss/(Gain) on disposal of property, plant and equipment	(6)	(553)	222	2
Loss on disposal of right-of-use assets	-	-	12	-
	-	-	12	-

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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 31 March 2026 was based on the profit attributable to ordinary shareholders as follows:

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit attributable to ordinary shareholders	22,113	12,586	81,923	61,793
Weighted average number of ordinary shares outstanding ('000)	935,604	935,604	935,604	935,604
Basic earnings per ordinary share (sen) **	2.36	1.35	8.76	6.60

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	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit attributable to ordinary shareholders	22,113	12,586	81,923	61,793
Weighted average number of ordinary shares used in the calculation of basic earnings per share ('000)	935,604	935,604	935,604	935,604
Effect of exercise of warrants 2023/2028	105,858	63,908	105,858	63,908
Weighted average number of ordinary shares ('000)	1,041,462	999,512	1,041,462	999,512
Diluted earnings per ordinary share (sen) **	2.12	1.26	7.87	6.18

** For comparative purposes, basic earnings per ordinary share (sen) and diluted earnings per ordinary share (sen) for the previous years are calculated based on the weighted average number of ordinary shares which has been adjusted to reflect the 1-for-1 Bonus Issue quoted on 28 April 2025.

BY ORDER OF THE BOARD

DATO' KANG PANG KIANG
GROUP CHIEF EXECUTIVE OFFICER/ EXECUTIVE DIRECTOR
26 MAY 2026