NORTHEAST GROUP BERHAD
(Registration No. 202201025913 (1471610-P))
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED
31 DECEMBER 2025

Affin Hwang Investment Bank Berhad ("Affin Hwang IB"), being the Sponsor, is responsible for the admission of Northeast Group Berhad to the ACE Market of Bursa Malaysia Securities Berhad on 15 October 2024. Affin Hwang IB assumes no responsibility for the contents of the unaudited interim financial report for the first quarter ended 31 December 2025.

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

		Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	Note	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Revenue		36,649	24,177	36,649	24,177
Cost of sales		(23,730)	(18,046)	(23,730)	(18,046)
Gross profit		12,919	6,131	12,919	6,131
Other operating income		1,517	3,185	1,517	3,185
Gain on impairment on trade receivables, net		1,113	-	1,113	-
Selling and administrative expenses[(b)]		(6,378)	(7,162)	(6,378)	(7,162)
Finance costs		(145)	(344)	(145)	(344)
Profit before tax	B12	9,026	1,810	9,026	1,810
Tax expense	B5	(1,840)	(1,525)	(1,840)	(1,525)
Profit for the financial period		7,186	285	7,186	285
Other comprehensive income, net of tax					
Total comprehensive income attributable to owners of the Company		7,186	285	7,186	285
Earnings per share to owners of the Company					
Basic and Diluted (sen)	B11	0.97	0.04	0.97	0.04

Notes:

(a) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 30 September 2025 and the accompanying explanatory notes attached to this interim financial report.

(b) Administrative expenses included one-off listing expenses of approximately RM3.69 million for the 3-months financial period ended 31 December 2024 (financial year ended 30 September 2025). For illustration purposes, the following table shows the Group's adjusted profit before tax after excluding these one-off listing expenses:

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Profit before tax	-	1,810	-	1,810
Add: Listing expenses	-	3,689	-	3,689
Adjusted profit before tax	-	5,499	-	5,499

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION[(a)]

	Note	Unaudited As at 31.12.2025 RM'000	Audited As at 30.09.2025 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		82,333	80,752
Right-of-use assets		25,636	19,694
Investment properties		5,295	5,305
		113,264	105,751
Current assets			
Inventories		4,797	3,825
Trade and other receivables		23,748	25,060
Current tax assets		6,989	7,060
Other investments		49,205	54,059
Cash and bank balances		105,606	99,164
		190,345	189,168
TOTAL ASSETS		**303,609**	**294,919**
EQUITY AND LIABILITIES			
Share capital		224,835	224,835
Reserves		41,459	34,273
TOTAL EQUITY		**266,294**	**259,108**
LIABILITIES			
Non-current liabilities			
Borrowings	B8	11,968	11,984
Lease liabilities	B8	1,193	435
Deferred tax liabilities		5,246	5,246
		18,407	17,665
Current liabilities			
Trade payables and other payables		18,191	17,325
Borrowings	B8	510	656
Lease liabilities	B8	204	162
Current tax liabilities		3	3
		18,908	18,146
TOTAL LIABILITIES		**37,315**	**35,811**
TOTAL EQUITY AND LIABILITIES		**303,609**	**294,919**
Net assets per share (RM)[(b)]		0.36	0.35

Notes:

(a) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 30 September 2025 and the accompanying explanatory notes attached to this interim financial report.

(b) Net assets per ordinary share of the Company ("**Share(s)**") is calculated based on the issued share capital of 740,000,000 Shares.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY[(a)]

	Share Capital RM'000	Merger Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Unaudited				
Balance as at 1 October 2025	224,835	(139,553)	173,826	259,108
Profit for the financial period	-	-	7,186	7,186
Total comprehensive income	-	-	7,186	7,186
Transactions with owners of the Company:				
Issuance of shares	-	-	-	-
Share issue expenses	-	-	-	-
	-	-	-	-
Balance as at 31 December 2025	224,835	(139,553)	181,012	266,294
Audited				
Balance as at 1 October 2024	142,754	(139,553)	153,287	156,488
Profit for the financial year	-	-	20,539	20,539
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	20,539	20,539
Transactions with owners of the Company:				
Issuance of share capital	84,494	-	-	84,494
Share issuance expenses	(2,413)	-	-	(2,413)
	82,081	-	-	82,081
Balance as at 30 September 2025	224,835	(139,553)	173,826	259,108

Note:

(a) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 30 September 2025 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS[a]

	3 Months Ended	
	Unaudited	**Unaudited**
	31.12.2025	**31.12.2024**
	RM'000	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	9,026	1,810
Adjustments for:		
Depreciation of:		
- property, plant and equipment	1,980	1,686
- right-of-use assets	280	299
- investment properties	10	10
Gain on disposals of:		
- other investments	(148)	-
Fair value gain on other investments	(231)	(444)
Interest expense	145	344
Interest income	(418)	(596)
Reversal of impairment loss on trade receivables	(1,160)	-
Impairment loss on trade receivables	47	
Unrealised loss/ (gain) on foreign exchange	1,733	(1,772)
Operating profit before changes in working capital	11,264	1,337
Increase in inventories	(972)	(510)
Decrease in trade and other receivables	2,150	2,717
Increase in trade and other payables	867	3,963
Cash generated from operations	13,309	7,507
Interest received	391	463
Interest paid	(140)	(322)
Tax paid	(1,769)	(1,525)
Net cash from operating activities	11,791	6,123
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of:		
- property, plant and equipment	(2,965)	(2,259)
- right-of-use assets	-	(54)
- other investments	-	(71,500)
Proceeds from disposal of:		
- property, plant and equipment	-	-
- right-of-use assets	(5,948)	-
- other investments	5,259	-
Net cash used in investing activities	(3,654)	(73,813)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of:		
- term loans	(162)	(506)
- lease liabilities	(74)	(20,019)
Proceed from issuance of Shares	-	84,494
Share issue expenses	-	(2,413)
Net cash (used in)/ generated from financing activities	(236)	61,556

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS[(a)] (CONTINUED)

	3 Months Ended	
	Unaudited 31.12.2025 RM'000	**Unaudited 31.12.2024 RM'000**
Net increase/ (decrease) in cash and cash equivalents	7,901	(6,134)
Effects of exchange rate changes on cash and cash equivalents	(1,459)	965
Cash and cash equivalents at beginning of financial period	98,300	86,218
Cash and cash equivalents at end of financial period	104,742	81,049
Cash and bank balances	51,450	29,489
Deposits with licensed banks	54,156	52,399
As per statements of financial position	105,606	81,888
Less:		
Deposits with licensed banks with maturity more than three (3) months	(864)	(839)
As per statements of cash flows	104,742	81,049

Note:

(a) The basis of the preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 30 September 2025 and the accompanying explanatory notes attached to this interim financial report.

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PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of Preparation

The interim financial report of Northeast Group Berhad ("**Company**") and its subsidiaries ("**Group**") are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("**MFRS**") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("**MASB**") and Rule 9.22 and Appendix 9B of the Listing Requirements.

The interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 30 September 2025 and the accompanying explanatory notes attached to this interim financial report.

A2 Basis of Accounting

The material accounting policy information and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the latest audited financial statements for the financial year ended 30 September 2025 except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

The Group has adopted the following Standards of the MFRS Framework that were issued by the MASB during the financial period:

Title		**Effective Date**
Amendments to MFRS 121	- *Lack of Exchangeability*	1 January 2025

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

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New MFRSs and Amendments to MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

The Group has not adopted the following amendments to MFRSs that have been issued, but has yet to be effective:

Title		Effective Date
Amendments to MFRS 9 and MFRS 7	- *Amendments to the Classification and Measurement of Financial Instruments Contracts Referencing Nature-dependent*	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11		1 January 2026
MFRS 18	- *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19	- *Subsidiaries without Public Accountability: Disclosures* - *Amendments to MFRS19 Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 10 and MFRS 128	- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group is in the process of assessing the impact of implementing these Standards and Amendments to the Standards, since the effects would only be observable for future financial years.

A3 Declaration on Audit Qualification

The audited financial statements of the Group for the financial year ended 30 September 2025 was not subject to any audit qualification.

A4 Seasonal or Cyclicality of Operations

The business operations of the Group were not subject to any significant seasonal or cyclical factors.

A5 Items of Unusual Nature, Size or Incidence

There were no items of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows during the current quarter and financial period under review.

A6 Material Changes in Accounting Estimates

There were no material changes in accounting estimates for the current quarter and financial period under review.

A7 Debt and Equity Securities

There were no issuances, cancellation, repurchases, resale and repayment of debt and equity securities during the current quarter and financial period under review.

A8 Dividends Paid

There was no dividend declared or paid during the current quarter and financial period under review.

A9 Segmental Information

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

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

A10 Valuation of Property, Plant and Equipment

There were no valuation of property, plant and equipment in the current quarter and financial period under review.

A11 Material Subsequent Events

There were no material events subsequent to the end of the current quarter and financial period under review that have not been reflected in this interim financial report.

A12 Changes in the Composition of the Group

There were no material changes in the composition of the Group during the current quarter and financial period under review.

A13 Contingent Assets and Contingent Liabilities

There were no material contingent assets or contingent liabilities as at the date of this interim financial report.

A14 Capital Commitments

Save as disclosed below, there are no material capital commitments as at 31 December 2025:

	RM'000
Capital expenditure in respect of purchase of property, plant and equipment	
Approved but not contracted for	40,163
Contracted but not provided for	4,221
	44,384

A15 Related Party Transactions

There were no significant related party transactions entered into with related parties in the current quarter and financial period under review.

A16 Derivative Financial Instruments

As at 31 December 2025, the Group does not have any derivative financial instruments.

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

B1 Review of Performance

	Individual Quarter 3 Months Ended			**Cumulative Quarter 3 Months Ended**		
	31.12.2025 RM'000	**31.12.2024 RM'000**	**Changes %**	**31.12.2025 RM'000**	**31.12.2024 RM'000**	**Changes %**
Revenue	36,649	24,177	52	36,649	24,177	52
Profit before tax	9,026	1,810	399	9,026	1,810	399
Profit after tax	7,186	285	2,421	7,186	285	2,421

The Group's profit before tax ("**PBT**") rose to RM9.03 million in current quarter ended 31 December 2025 ("**Q1 2026**") from RM1.81 million in the preceding year's corresponding quarter. This was primarily due to an increase in gross profit of RM6.79 million, which was driven by increase in revenue and improved operational leverage whilst fixed production overheads remained stable.

The improved profitability was further supported by the absence of one-off listing expenses of RM3.69 million in Q1 2025 and a net gain on impairment on trade receivables of RM1.11 million in Q1 2026. These gains were partially offset by the unrealised loss on foreign exchange of RM1.73 million recorded during the financial period.

B2 Comparison with Immediate Preceding Quarter's Results

	Individual Quarter 3 Months Ended		
	31.12.2025 RM'000	**30.9.2025 RM'000**	**Changes %**
Revenue	36,649	36,313	0.9
Profit before tax	9,026	9,677	(6.7)
Profit after tax	7,186	7,095	1.3

The Group recorded revenue of RM36.65 million in Q1 2026, representing an increase of 0.9% as compared to the immediate preceding quarter. This was primarily underpinned by consistent demand and steady delivery schedules to our global customer base during the financial period.

While PBT decreased by 6.7% to RM9.03 million, largely due to increase in cost of sales and selling and administrative expenses. Profit After Tax improved by 1.3% to RM7.19 million.

B3 Prospects and Outlook

Despite ongoing challenges in the global operating environment, the Group remains confident in its medium-term prospects, supported by resilient demand from its core end markets, including photonics, electrical and electronics, semiconductor and telecommunications. The Group continues to focus on expanding capacity and strengthening operational readiness to support future growth.

The Group's capital investment plans remain on track. Construction of a new factory to house additional CNC machines is targeted to commence in the fourth quarter of 2026, with completion expected in the second half of 2029. The acquisitions of Property I (as defined below) and Property II (as defined below) have been completed, with renovation works for Property II currently in progress. Upon completion, these properties are expected to optimise storage capacity efficiency and facilitate the expansion of production capacity within existing facilities, enhancing the Group's ability to serve customers and undertake higher value-added work.

The Group continues to pursue new business opportunities while maintaining strong relationships with existing customers. The near-term impact of tariffs imposed by the United States is expected to be manageable, supported by Malaysia's comparatively lower reciprocal tariff rate within the region as well as the Group's high mix low volume operating model and prevailing cost differentials. The Board and Management will continue to monitor developments closely and will adjust strategies as necessary to support sustainable long-term growth.

Property details:

(i) Leasehold land held under PM 340, Lot 519, Mukim 13, Daerah Seberang Perai Tengah, Negeri Pulau Pinang, measuring approximately 0.607 hectares (approximately 65,336.94 square feet) ("**Property I**").
(ii) Leasehold land held under PM 461, Lot 20823, Mukim 13, Daerah Seberang Perai Tengah, Negeri Pulau Pinang, measuring approximately 0.538 hectares (approximately 57,952.89 square feet), together with a warehouse erected thereon ("**Property II**").

B4 Variance of Actual Profit Forecast

The Group did not issue any profit forecast or profit guarantee in the current quarter and financial period under review.

B5 Tax Expense

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	31.12.2025 RM'000	**31.12.2024 RM'000**	**31.12.2025 RM'000**	**31.12.2024 RM'000**
Malaysian income tax:				
- current tax	1,840	1,525	1,840	1,525
	1,840	1,525	1,840	1,525

The Malaysian income tax is calculated at the statutory tax rate of 24.00% of the estimated taxable profits. The lower effective tax rate of 20.39% in the current quarter ended 31 December 2025 (Q1 2026) was mainly due to lower corporate tax rate enjoyed by some of the Group's subsidiaries.

B6 Status of Corporate Proposals

There were no corporate proposals announced and not completed for the current quarter and financial period under review.

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

B7 Utilisation of Proceeds from the Public Issue

The gross proceeds of approximately RM84.49 million raised from the Public Issue and status of utilisation as at 31 December 2025 is disclosed in the following manner:

Details of the use of proceeds	Original proposed utilisation(i) RM'000	Variation(ii) RM'000	Revised proposed utilisation RM'000	Actual utilisation RM'000	Unutilised Public Issue Proceeds RM'000	Original timeframe for the use of Public Issue Proceeds(iii)	Revised timeframe for the use of Public Issue Proceeds
Construction of the New Factory	40,000	(20,000)	20,000	346	19,654	Within 36 months	(iv)Within 51 months (up to 7 June 2029)
Partially fund the Proposed Acquisitions	-	14,718	14,718	14,718	-	-	(iv)Within 10 months (up to 7 January 2026)
Partially fund the construction of a warehouse for Property I	-	5,282	5,282	45	5,237	-	(iv)Within 36 months (up to 7 March 2028)
Repayment of bank borrowings	20,000	-	20,000	20,000	-	Within 12 months	No change
Purchase of new CNC machines	12,378	-	12,378	2,701	9,677	Within 36 months	No change
Working capital	5,516	-	5,516	5,516	-	Within 12 months	No change
Estimated listing expenses	6,600	-	6,600	6,600	-	Within 1 month	No change
Total	**84,494**	**-**	**84,494**	**49,926**	**34,568**		

Notes:
(i) As per the Prospectus.
(ii) On 7 March 2025, the Company announced that the Board has deliberated and resolved to vary and extend the timeframe for utilisation of RM20.00 million from the unutilised Public Issue proceeds and extend the timeframe to utilise the balance of RM20.00 million for the construction of the revised New Factory ("**Variation and Extension**").
(iii) From the date of listing of the Company on the ACE Market of Bursa Securities on 15 October 2024.
(iv) From the date of the Variation and Extension announcement on 7 March 2025.

The use of proceeds as disclosed above should be read in conjunction with the Prospectus and the Variation and Extension announcement.

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

B8 Borrowings

	Unaudited As at 31.12.2025 RM'000	Audited As at 30.9.2025 RM'000
Current		
Secured		
- Term loans	510	656
- Lease liabilities	204	162
	714	818
Non-Current		
Secured		
- Term loans	11,968	11,984
- Lease liabilities	1,193	435
	13,161	12,419
Total Borrowings	**13,875**	**13,237**

All the borrowings are secured and denominated in Ringgit Malaysia.

B9 Material Litigation

As at the date of this interim financial report, there were no material litigation or arbitration by/against the Group, which has a material effect on the financial position of the Group and the Board is not aware of any material proceedings pending or threatened or of any fact likely to give rise to any proceedings.

B10 Dividends

There was no dividend declared or recommended for payment by the Board during the current quarter and financial period under review.

B11 Earnings Per Share ("EPS")

The EPS for the current quarter and financial period under review are calculated as follows:

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	UNAUDITED			
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Profit attributable to the owners of the Company	7,186	285	7,186	285
Number of Shares ('000)	740,000	740,000	740,000	740,000
Basic/ Diluted EPS (sen)	0.97	0.04	0.97	0.04

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

PBT is arrived at:

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	Unaudited 31.12.2025 RM'000	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2025 RM'000	Unaudited 31.12.2024 RM'000
After charging/(crediting):				
Depreciation of property, plant and equipment	1,980	1,686	1,980	1,686
Depreciation of right-of-use assets	280	299	280	299
Depreciation of investment properties	10	10	10	10
Listing expenses	-	3,689	-	3,689
Gain on impairment on trade receivables, net	(1,113)	-	(1,113)	-
Interest expense	145	344	145	344
Interest income	(418)	(532)	(418)	(532)
Fair value gain on other investment	(231)	(444)	(231)	(444)
Gain on disposals of:				
- other investments	(148)	-	(148)	-
(Gain)/ Loss on foreign exchange:				
- Unrealised	1,733	(1,772)	1,733	(1,772)
- Realised	356	138	356	138

Save as disclosed above, the other disclosure items pursuant to Note 16, of Appendix 9B of the Listing Requirements are not applicable.

B13 Derivative Financial Instruments

The Group did not enter into any derivatives during the current quarter and financial period under review.

B14 Authorisation for Issue

The interim financial report was authorised for issue by the Board in accordance with a resolution passed by the Board on 24 February 2026.

BY ORDER OF THE BOARD
NORTHEAST GROUP BERHAD