



EPB GROUP BERHAD

Registration No.: 202201007128 (1452825-U)
(Incorporated in Malaysia under the Companies Act, 2016)

INTERIM FINANCIAL REPORT

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)
(Incorporated in Malaysia under the Companies Act, 2016)

CONDENSED COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)⁽¹⁾

	Note	Individual quarter		Cumulative period	
		Current quarter ended 31-Mar-24 RM'000	Comparative quarter ended 31-Mar-23 ⁽²⁾ RM'000	Current period-to-date ended 31-Mar-24 RM'000	Comparative period-to-date ended 31-Mar-23 ⁽²⁾ RM'000
Revenue	A12	18,088	N/A	18,088	N/A
Cost of sale		(12,277)	N/A	(12,277)	N/A
Gross profit ("GP")		5,811	N/A	5,811	N/A
Other income		940	N/A	940	N/A
Selling and distribution costs		(1,903)	N/A	(1,903)	N/A
Administrative and other expenses		(2,924)	N/A	(2,924)	N/A
Finance costs		(91)	N/A	(91)	N/A
Profit before taxation ("PBT")	B11	1,833	N/A	1,833	N/A
Taxation	B5	(545)	N/A	(545)	N/A
Profit for the financial period attributable to owners of the Company ("PAT")		1,288	N/A	1,288	N/A
Other comprehensive income		464	N/A	464	N/A
Total comprehensive income for the financial period attributable to owners of the Company		1,752	N/A	1,752	N/A
Earnings per share ("EPS") attributable to equity holders of the Company: -	B9				
Basic EPS ⁽³⁾ (sen)		0.43	N/A	0.43	N/A
Diluted EPS ⁽⁴⁾ (sen)		0.35	N/A	0.35	N/A

Notes: -

- (1) The basis of preparation of the Unaudited Combined Statements of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Prospectus of EPB Group Berhad ("**Company**") dated 27 June 2024 ("**Prospectus**"), the Accountants' Report disclosed therein, and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 31 March 2024 is the first interim financial report issued and announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**").

EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)
(Incorporated in Malaysia under the Companies Act, 2016)

CONDENSED COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)⁽¹⁾

Notes (cont'd): -

- (3) Basic EPS is computed based on PAT divided by the issued share capital of 300,430,002 ordinary shares before the completion of the initial public offering (“**IPO**”) of the Company.
- (4) Diluted EPS is computed based on the PAT divided by the enlarged issued share capital of 372,000,002 ordinary shares after the IPO.
- N/A Not applicable.

(The rest of this page has been intentionally left blank)

EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)
(Incorporated in Malaysia under the Companies Act, 2016)

CONDENSED COMBINED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)⁽¹⁾

	As at 31-Mar-24 (unaudited) RM'000	As at 31-Dec-23 (audited) RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	10,942	11,168
Right-of-use assets	5,364	4,967
Intangible assets	563	562
	<u>16,869</u>	<u>16,697</u>
Current Assets		
Inventories	12,470	13,210
Trade receivables	9,450	10,271
Other receivables, deposits and prepayments	5,678	4,532
Tax recoverable	1,120	236
Fixed deposits with licensed banks	8,022	467
Cash and bank balances	25,823	33,845
	<u>62,563</u>	<u>62,561</u>
TOTAL ASSETS	<u>79,432</u>	<u>79,258</u>
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	*	*
Invested equity [#]	5,552	5,552
Foreign currency translation reserve	1,586	1,122
Retained profits	49,325	48,037
Total Equity	<u>56,463</u>	<u>54,711</u>
Non-current Liabilities		
Deferred tax liabilities	2,768	2,499
Bank borrowings	1,874	2,152
Lease liabilities	588	425
	<u>5,230</u>	<u>5,076</u>
Current Liabilities		
Bank borrowings	1,098	1,076
Lease liabilities	354	319
Trade payables	3,815	6,109
Other payables, deposits and accrued liabilities	12,379	11,340
Current tax liabilities	93	627
	<u>17,739</u>	<u>19,471</u>
Total Liabilities	<u>22,969</u>	<u>24,547</u>
TOTAL EQUITY AND LIABILITIES	<u>79,432</u>	<u>79,258</u>
Net assets per share ⁽²⁾ (RM)	0.19	0.18

EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)
(Incorporated in Malaysia under the Companies Act, 2016)

CONDENSED COMBINED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)⁽¹⁾

Notes: -

- (1) The basis of preparation of the Unaudited Combined Statements of Financial Position is disclosed in Note A1 and should be read in conjunction with the Prospectus, the Accountants' Report disclosed therein, and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is computed based on the total equity divided by the issued share capital of 300,430,002 ordinary shares before the completion of the IPO of the Company.
- * Represents RM2.
- # Represents the aggregate of the share capital of the subsidiaries.

(The rest of this page has been intentionally left blank)

EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)

(Incorporated in Malaysia under the Companies Act, 2016)

CONDENSED COMBINED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)⁽¹⁾

	<i>Non-Distributable</i>			<i>Distributable</i>	
	Share capital RM'000	Invested equity RM'000	Foreign currency translation reserve RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2024	*	5,552	1,122	48,037	54,711
Profit for the financial period	-	-	-	1,288	1,288
Total comprehensive income for the financial period	-	-	464	-	464
At 31 March 2024	*	5,552	1,586	49,325	56,463

Notes: -

(1) The basis of preparation of the Unaudited Combined Statements of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Prospectus, the Accountants' Report disclosed therein, and the accompanying explanatory notes attached to this interim financial report.

* Represents RM2.

There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 31 March 2024 is the first interim financial report issued and announced by the Company in compliance with the Listing Requirements.

EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)
(Incorporated in Malaysia under the Companies Act, 2016)

CONDENSED COMBINED STATEMENTS OF CASH FLOWS (UNAUDITED)⁽¹⁾

	Current period-to- date ended 31-Mar-24 RM'000	Comparative period-to- date ended 31-Mar-23 ⁽²⁾ RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,833	N/A
Adjustments for: -		
Reversal of allowance for impairment loss on trade receivables - net	(387)	N/A
Write-down in value of inventories - net	48	N/A
Depreciation of property, plant and equipment	278	N/A
Depreciation of rights-of-use assets	132	N/A
Amortisation of intangible assets	2	N/A
Interest expenses	91	N/A
Interest income	(27)	N/A
Bad debt written off	182	N/A
Unrealised gain on foreign exchange - net	(124)	N/A
	<hr/>	
Operating profit before working capital changes	2,028	N/A
Decrease in inventories	692	N/A
Increase in trade and other receivables	(185)	N/A
Decrease in trade and other payables	(1,314)	N/A
	<hr/>	
	1,221	N/A
Interest paid	(91)	N/A
Tax paid	(1,694)	N/A
Net cash used in operating activities⁽³⁾	(564)	N/A
	<hr/>	
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(51)	N/A
Addition of right-of-use assets	(230)	N/A
Interest received	27	N/A
Net cash used in investing activities	(254)	N/A
	<hr/>	
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of term loans	(265)	N/A
Repayment of lease liabilities	(103)	N/A
Net cash used in financing activities	(368)	N/A
	<hr/>	
Net decrease in cash and cash equivalents	(1,186)	N/A
Exchange difference on cash & cash equivalents	711	N/A
Cash and cash equivalents at beginning of year	34,312	N/A
Cash and cash equivalents at end of the financial period	33,837	N/A
	<hr/>	
Cash and cash equivalents comprise: -		
Cash and bank balances	25,823	N/A
Fixed deposits pledged to financial institutions	8,022	N/A
Bank overdraft	(8)	N/A
	<hr/>	
	33,837	N/A
	<hr/>	

EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)
(Incorporated in Malaysia under the Companies Act, 2016)

CONDENSED COMBINED STATEMENTS OF CASH FLOWS (UNAUDITED)⁽¹⁾

Notes: -

- (1) The basis of preparation of the Unaudited Combined Statements of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Prospectus, the Accountants' Report disclosed therein, and the accompanying explanatory notes attached to the interim financial report.
- (2) There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 31 March 2024 is the first interim financial report issued and announced by the Company in compliance with the Listing Requirements.
- (3) The Group recorded net cash used in operating activities for the financial period-to-date ended 31 March 2024 mainly due to higher amount of tax paid, which is disproportional to the PBT for the financial period-to-date ended 31 March 2024, as tax instalments are paid based on estimation of tax payable for the full year. Excluding the higher amount of tax paid for the financial period-to-date ended 31 March 2024, the Group recorded positive cash flows from operating activities of approximately RM1.13 million.
- N/A Not applicable.

(The rest of this page has been intentionally left blank)

EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)
(Incorporated in Malaysia under the Companies Act, 2016)

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

A1. BASIS OF PREPARATION

The interim financial report has been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 and Appendix 9B of the Listing Requirements.

There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 31 March 2024 is the first interim financial report issued and announced by the Company in compliance with the Listing Requirements.

This interim financial report should be read in conjunction with the Prospectus, the Accountants’ Report disclosed therein, and the accompanying explanatory notes attached to this interim financial report.

The significant accounting policies and methods of computation adopted by EPB Group Berhad and its subsidiaries (“**Group**”) in this interim financial report are consistent with those adopted in preparation of the Accountants’ Report as disclosed in the Prospectus dated 27 June 2024 except for the adoption of the following MFRSs and amendments to MFRSs: -

Effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16 Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 – Non-current Liabilities with Covenants
- Amendments to MFRS 107 and MFRS 7 – Supplier Finance Arrangements

The adoption of the above MFRSs and amendments to MFRSs did not have any significant financial impact to the Group upon their initial application.

The following MFRSs and amendments to the MFRSs have been issued by the MASB but are not early adopted by the Group:

Effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121– Lack of Exchangeability

Effective for annual periods beginning on or after 1 January 2027

- MFRS 18 – Presentation and Disclosure in Financial Statements

Effective for annual periods beginning on or after a date to be determined by the MASB

- Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group is in the process of assessing the impact of implementing these accounting standards and amendments, since the effects would only be observable for the future financial periods.

A2. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the Group’s most recent annual audited financial statements for the financial year ended 31 December 2023 were not subject to any qualification.

EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)
(Incorporated in Malaysia under the Companies Act, 2016)

A3. SEASONALITY OR CYCLICALITY OF OPERATION

The business operations of the Group were not affected by any seasonal or cyclical trend during the current quarter and financial period-to-date under review.

A4. UNUSUAL ITEMS

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial period-to-date under review.

A5. MATERIAL CHANGES IN ESTIMATES

There were no significant changes in estimates of amounts reported in prior financial years that have a material impact on the current quarter and financial period-to-date under review.

A6. DEBTS AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current quarter and financial period-to-date under review.

A7. DIVIDEND PAID/DECLARED

No dividends were paid during the current quarter and financial period-to-date under review.

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT QUARTER AND FINANCIAL PERIOD-TO-DATE UNDER REVIEW

Save as disclosed below, there were no other material events subsequent to the end of the current quarter and financial period-to-date under review that have not been reflected in this interim financial report: -

- (a) On 3 April 2024, the Group received a letter of intent from the Penang Development Corporation (“**PDC**”) to the Group for the acquisition by us of an industrial land at Plot P23B, Penang Science Park North (“**Land**”) measuring 7.8952 acres (subject to final demarcation plan). The Land is located adjacent to Plant 1. The Group had on 15 April 2024 confirmed to PDC of the Group’s acceptance of the letter of intent. As at 29 May 2024, being the latest practicable date (“**LPD**”), the Group is still in discussion with PDC on the necessary steps in relation to the acquisition and the salient terms pertaining to the acquisition will be set out in an agreement to be entered into at a later stage. Relevant announcements will be made upon finalisation of the acquisition.

The Group intends to allocate RM13.00 million of the gross proceeds from the public issue (further details of which as set out in Note A8, item (c) below) for the acquisition of the Land. Any surplus amount arising from the proceeds earmarked for the acquisition of Land shall be clawed back to the working capital and any shortfall shall be funded from internally-generated funds and/or external borrowings. If required, the Company will make the relevant announcements and will seek the necessary approvals from shareholders for any material variation to the intended utilisation of proceeds.

- (b) In conjunction with and as an integral part of the listing of and quotation for the entire issued share capital comprising 372,000,002 ordinary shares in the Company (“**Shares**”) (“**Listing**”), EPB has entered into share sale agreements dated 9 December 2022 for the acquisitions of the entire issued share of Bestworld Engineering Sdn Bhd (“**BW Engineering**”), Bestworld Perkasa Ltd (“**BW Perkasa Labuan**”), Easy Pack Machinery Sdn Bhd (“**EP Machinery**”), Easy Pack Machinery (KL) Sdn Bhd (“**EP Machinery KL**”) and Easy Pack Manufacturing (M) Sdn. Bhd. (“**EP Manufacturing**”) (“**Pre-Listing Exercise**”). Total purchase consideration for the Pre-Listing Exercise amounting to RM30,043,000 to be satisfied through the issuance of 300,430,000 new Shares at an issue price of RM0.10 each. The Pre-Listing Exercise was completed on 18 April 2024.

EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)
(Incorporated in Malaysia under the Companies Act, 2016)

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT QUARTER AND FINANCIAL PERIOD-TO-DATE UNDER REVIEW (cont'd)

(c) In conjunction with the Company's Listing on the ACE Market of Bursa Securities, the Company had on 27 June 2024 issued the Prospectus for its IPO comprising: -

(I) Public issue of 71,570,000 new Shares ("**Public Issue Shares**"), representing approximately 19.24% of the enlarged issued share capital, at the IPO price of RM0.56, subject to the terms and conditions of the Prospectus ("**Public Issue**"); and shall be allocated and allotted in the following manner: -

(i) 19,570,000 Public Issue Shares, representing 5.26% of the enlarged issued share capital, will be made available for application by the Malaysian public by way of balloting; of which 50% of this allocation representing 9,785,000 Public Issue Shares shall be made available to Bumiputera public investors;

(ii) 21,196,000 Public Issue Shares, representing approximately 5.70% of the enlarged issued share capital, will be reserved for application by the eligible directors, key senior management, employees and business associates (including any other persons who have contributed to the Group's success); and

(iii) 30,804,000 Public Issue Shares, representing approximately 8.28% of the enlarged issued share capital, will be made available for application by Bumiputera investors approved by Ministry of Investment, Trade and Industry ("**MITI**") by way of private placement.

and

(II) Offer for sale of 40,000,000 Shares ("**Offer Shares**") ("**Offer for Sale**") by the selling shareholder (Mr. Yeoh Chee Min) in the following manner: -

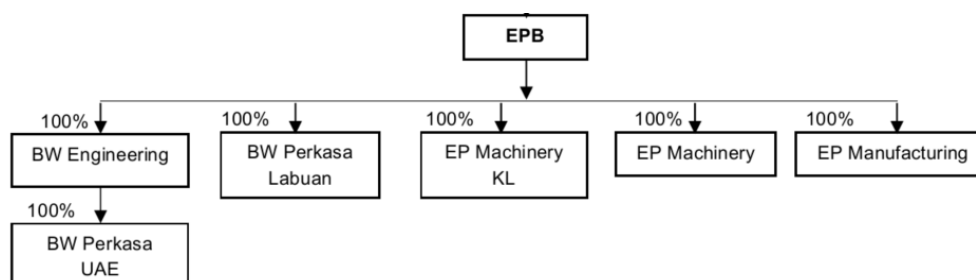
(i) 15,696,000 Offer Shares, representing approximately 4.22% of the enlarged issued share capital, shall be made available to Bumiputera investors approved by MITI; and

(ii) 24,304,000 Offer Shares, representing approximately 6.53% of the enlarged issued share capital, shall be made available to selected investors.

A9. CHANGES IN THE COMPOSITION OF THE GROUP

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

The Group completed the Pre-Listing Exercise on 18 April 2024 (further details of which as disclosed in Note A8, item (b) above. The Group's structure, on the date of this interim report, is as follows: -



EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)
(Incorporated in Malaysia under the Companies Act, 2016)

A10. CHANGES IN CONTINGENT LIABILITIES

There are no material contingent liabilities during the current quarter and financial period-to-date under review.

A11. MATERIAL CAPITAL COMMITMENTS

Save as disclosed below, there is no material commitment for capital expenditure, which upon becoming enforceable, may have a material effect on the Group's financial position during the current quarter and financial period-to-date under review. Capital commitments as at 31 March 2024 were as follows: -

	RM'000
Approved and contracted for	<u>194</u>

A12. SEGMENT INFORMATION

The Group's operations consist of provision of food processing and packaging machinery solutions, trading of cellulose casings, and manufacturing and trading of flexible packaging materials, which are collectively considered as single reportable segment. Accordingly, the operating revenue and results of this segment are reflected in the Group's combined statements of profit or loss and other comprehensive income. The segment assets and liabilities are as presented in the Group's combined statements of financial position. Entity-wide disclosures as required by MFRS 8 for the current quarter and financial period-to-date under review were as follows: -

Products and services information

	Individual quarter		Cumulative quarter	
	Current quarter ended 31-Mar-24 RM'000	Comparative quarter ended 31-Mar-23 ⁽¹⁾ RM'000	Current period-to-date ended 31-Mar-24 RM'000	Comparative period-to-date ended 31-Mar-23 ⁽¹⁾ RM'000
Revenue from: -				
• Food processing and packaging machinery solutions	13,064	N/A	13,064	N/A
• Trading of cellulose casings	2,674	N/A	2,674	N/A
• Manufacturing and trading of flexible packaging materials	2,350	N/A	2,350	N/A
	18,088	N/A	18,088	N/A

Geographical information

In determining geographical information of the Group, "Revenue" is based on the geographical location of customers and "Non-current Assets" are based on the geographical location of the assets.

(The rest of this page has been intentionally left blank)

EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)
(Incorporated in Malaysia under the Companies Act, 2016)

A12. SEGMENT INFORMATION (cont'd)

Geographical information (cont'd)

	Individual quarter		Cumulative quarter	
	Current quarter ended 31-Mar-24 RM'000	Comparative quarter ended 31-Mar-23 ⁽¹⁾ RM'000	Current period-to-date ended 31-Mar-24 RM'000	Comparative period-to-date ended 31-Mar-23 ⁽¹⁾ RM'000
Revenue from: -				
• Malaysian customers	6,023	N/A	6,023	N/A
• Overseas customers				
- Indonesia	7,034	N/A	7,034	N/A
- Philippines	2,476	N/A	2,476	N/A
- Others	2,555	N/A	2,555	N/A
	18,088	N/A	18,088	N/A

The Group's non-current assets are all located within Malaysia for the current quarter and financial period-to-date under review.

Notes: -

(1) There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 31 March 2024 is the first interim financial report issued and announced by the Company in compliance with the Listing Requirements.

N/A Not applicable.

A13. RELATED PARTY TRANSACTIONS ("RPTs")

	Individual quarter		Cumulative quarter	
	Current quarter ended 31-Mar-24 RM'000	Comparative quarter ended 31-Mar-23 ⁽¹⁾ RM'000	Current period-to-date ended 31-Mar-24 RM'000	Comparative period-to-date ended 31-Mar-23 ⁽¹⁾ RM'000
<u>Recurrent RPTs</u>				
(i) PT Bestworld Perkasa				
• Marketing fee expenses	114	N/A	114	N/A
• Technical fee expenses	131	N/A	131	N/A
(ii) Director				
• Rental of premises	23	N/A	23	N/A
<u>Other RPTs</u>				
(i) PT Bestworld Perkasa				
• Other expenses	30	N/A	30	N/A
• Sub-contract fees	*	N/A	*	N/A

Notes: -

(1) There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 31 March 2024 is the first interim financial report issued and announced by the Company in compliance with the Listing Requirements.

* Less than RM1,000.

N/A Not applicable.

EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)

(Incorporated in Malaysia under the Companies Act, 2016)

ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. REVIEW OF PERFORMANCE

Financial review for Current Quarter (Q1'24) vs Comparative Quarter (Q1'23) AND Current Period-To-Date (3 months YTD' 24) vs Comparative Period-To-Date (3 months YTD'23)

	Individual quarter				Cumulative quarter				
	Current quarter ended 31-Mar-24 RM'000	Comparative quarter ended 31-Mar-23 ⁽¹⁾ RM'000	Variance		Current period-to-date ended 31-Mar-24 RM'000	Comparative period-to-date ended 31-Mar-23 ⁽¹⁾ RM'000	Variance		
			RM'000	%			RM'000	%	
Revenue	18,088	N/A	N/A	N/A	18,088	N/A	N/A	N/A	N/A
GP	5,811	N/A	N/A	N/A	5,811	N/A	N/A	N/A	N/A
PBT	1,833	N/A	N/A	N/A	1,833	N/A	N/A	N/A	N/A
PAT	1,288	N/A	N/A	N/A	1,288	N/A	N/A	N/A	N/A

The Group recorded revenue of approximately RM18.09 million for the current quarter and financial period-to-date under review, mainly derived from provision of food processing and packaging machinery solutions business segment, accounting for approximately RM13.06 million or 72.19% of the total revenue.

The Group recorded a PBT of RM1.83 million and PAT of RM1.29 million respectively for the current quarter ended.

Notes: -

(1) There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 31 March 2024 is the first interim financial report issued and announced by the Company in compliance with the Listing Requirements.

N/A Not applicable.

EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)
(Incorporated in Malaysia under the Companies Act, 2016)

B2. CURRENT QUARTER (Q1'24) vs IMMEDIATE PRECEDING QUARTER (Q4'23)

	31-Mar-2024 RM'000	31-Dec-2023 ⁽¹⁾ RM'000	Variance RM'000	Changes % RM'000
Revenue	18,088	N/A	N/A	N/A
GP	5,811	N/A	N/A	N/A
PBT	1,833	N/A	N/A	N/A
PAT	1,288	N/A	N/A	N/A

Notes: -

(1) There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 31 March 2024 is the first interim financial report issued and announced by the Company in compliance with the Listing Requirements.

N/A Not applicable

B3. PROSPECTS

In Q2 FY2024, the global economy is experiencing a mix of challenges and opportunities. The International Monetary Fund forecasts a modest growth rate of 3.1% for 2024, as the world continues to adjust to post-pandemic norms and integrates technological advancements across industries. This environment is conducive for technological innovators and adaptors. (*Source: World Economic Outlook January 2024, International Monetary Fund*) Malaysia's economy is showing resilience, with an increase in consumer spending and a gradual lifting of pandemic-related restrictions. The local economic scene is expected to rebound strongly, with a forecasted GDP growth of 4% to 5% in 2024. The F&B sector, a vital part of the Malaysian economy, has demonstrated remarkable resilience, contributing RM36.17 billion to the GDP in 2023. (*Source: Nikkei Asia, 2024*)

The IPO aims to raise approximately RM40.08 million from the Public Issue. These funds will be invested for factory expansion, including land acquisition, factory construction, and machinery purchase. Additionally, the proceeds raised will be utilised for the repayment of bank borrowings, working capital and listing expenses.

The local F&B processing machinery industry is expected to grow at a CAGR of 10.4% from 2024 to 2028, reaching RM2.84 billion. This growth will be driven by industrial automation adoption due to labour shortages, diverse F&B products requiring advanced processing solutions, and rising consumer preference for convenient processed food products.

The Group is committed to being prudent in its approach while also embarking on growth opportunities. The Group's business is subject to political, economic, and regulatory risks inherent in the markets it serves, including those in Malaysia and other countries where it conduct its business. The Group acknowledges potential challenges and are prepared to address them through strategic planning and partnerships.

The Group will continue to strategically position itself to capitalise on the anticipated growth in both the global and local markets. With its forthcoming IPO, the Group aims to strengthen its market presence and will leverage on the dynamic growth within the F&B sector, ensuring value creation and long-term growth for its stakeholders.

EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)
(Incorporated in Malaysia under the Companies Act, 2016)

B4. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable, as no profit forecast or profit guarantee has been previously published or issued by the Group.

B5. TAXATION

	Individual quarter		Cumulative quarter	
	Current quarter ended 31-Mar-24 RM'000	Comparative quarter ended 31-Mar-23 ⁽¹⁾ RM'000	Current period-to-date ended 31-Mar-24 RM'000	Comparative period-to-date ended 31-Mar-23 ⁽¹⁾ RM'000
Current tax expenses	275	N/A	275	N/A
Deferred tax expenses	270	N/A	270	N/A
Total tax expenses	545	N/A	545	N/A
Effective tax rate	29.73%	N/A	29.73%	N/A
<u>Applicable statutory tax rate:</u>				
Malaysia:				
• On the first RM150,000 of chargeable income ⁽²⁾	15.00%	N/A	15.00%	N/A
• On the subsequent RM450,000 of chargeable income ⁽²⁾	17.00%	N/A	17.00%	N/A
• Balance of chargeable income ⁽²⁾	24.00%	N/A	24.00%	N/A
Labuan	3.00%	N/A	3.00%	N/A
United Arab Emirates ⁽³⁾ ("UAE")	9.00%	N/A	9.00%	N/A

Notes: -

(1) There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 31 March 2024 is the first interim financial report issued and announced by the Company in compliance with the Listing Requirements.

(2) Applicable to company with paid-up capital not more than RM2.50 million. Upon completion of the Pre-Listing Exercise, the Group will no longer enjoy this preferential tax rate and the chargeable income will be subjected to the prevailing statutory tax rate of 24.00% (or such applicable tax rate as determined and announced by the Malaysian Government) effective from year of assessment 2025.

(3) Pursuant to the amendment of paragraph 28 of Schedule 6, Income Tax Act 1967, the dividend received from BW Perkasa Ltd ("BW Perkasa UAE") is subject to prevailing income tax rate on remittance to Malaysia, with tax credit allowed for foreign tax charged in UAE effective from year of assessment 2024.

N/A Not applicable

The Group's effective tax rate stood at 29.73% for the current quarter and financial period-to-date under review, higher as compared statutory tax rate; mainly attributable to the following: -

- (i) non-allowable expenses added back in the estimation of income tax expenses; and
- (ii) no group relief was accounted for in the estimation of income tax expenses in relation to expenses incurred by the Company.

EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)
(Incorporated in Malaysia under the Companies Act, 2016)

B6. STATUS OF CORPORATE PROPOSALS

Saved as disclosed below, there is no corporate proposal announced but not completed as at the date of this interim financial report: -

- (i) **Listing on the ACE Market of Bursa Securities.** The Company is seeking Listing on the ACE Market of Bursa Securities. On 27 June 2024, the Company issued its Prospectus with tentative listing date on 23 August 2024. Please refer to the Prospectus, which is accessible on the website of Bursa Securities, for further details.

B7. UTILISATION OF PROCEEDS

As at 31 March 2024, there is no proceeds raised from corporate proposal which has yet to be fully utilised.

For information purposes only, on completion of the IPO of the Company, the gross proceeds from the IPO amounting to RM40.08 million is expected to be utilised in the following manner: -

Details of utilisation ⁽¹⁾⁽²⁾	RM	%	Estimated timeframe for utilisation from the date of the Listing
Factory expansion: -			
(a) Acquisition of land	13,000,000	32.43	Within 12 months
(b) Construction of factory	10,500,000	26.20	Within 36 months
(c) Purchase of machinery	1,100,000	2.74	Within 36 months
Repayment of bank borrowings	3,000,000	7.49	Within 6 months
Working capital	8,479,200	21.16	Within 12 months
Estimated listing expenses	4,000,000	9.98	Within 3 months
Total	40,079,200	100.00	

Notes: -

- 1) The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus dated 27 June 2024.
- 2) As at the date of the interim financial report, the Listing and IPO of the Company is pending completion. As such, the gross proceeds have yet to be received and utilised by the Company.

B8. BANK BORROWINGS

The Group's bank borrowings as at 31 March 2024 are as follows: -

	Short Term (within 12 months) RM'000	Long Term (over 12 months) RM'000	Total RM'000
Term loans:			
– secured and guaranteed	1,022	1,572	2,594
– unsecured but guaranteed	68	302	370
Overdraft – secured	8	-	8
Total bank borrowings	1,098	1,874	2,972

All the bank borrowings are denominated in Ringgit Malaysia (RM), and obtained from financial institutions based in Malaysia.

EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)
(Incorporated in Malaysia under the Companies Act, 2016)

B9. EARNINGS PER SHARE

Basic and Diluted Earnings per Share ("EPS")

	Individual quarter		Cumulative quarter	
	Current quarter ended	Comparative quarter ended	Current period-to-date ended	Comparative period-to-date ended
	31-Mar-24	31-Mar-23 ⁽¹⁾	31-Mar-24	31-Mar-23 ⁽¹⁾
Profit attributable to owners of the Company (RM'000)	1,288	N/A	1,288	N/A
Weighted average number of ordinary shares in issue ('000)	300,430	N/A	300,430	N/A
Basic EPS⁽²⁾ (sen)	0.43	N/A	0.43	N/A
Weighted average number of ordinary shares in issue, upon completion of the IPO of the Company	372,000	N/A	372,000	N/A
Diluted EPS⁽³⁾ (sen)	0.35	N/A	0.35	N/A

Notes: -

- (1) There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 31 March 2024 is the first interim financial report issued and announced by the Company in compliance with the Listing Requirements.
- (2) Basic EPS is computed based on profit for the financial period attributable to owners of the Company divided by the issued share capital of 300,430,002 ordinary shares before the completion of IPO of the Company.
- (3) Diluted EPS is computed based on profit for the financial period attributable to owners of the Company divided by the enlarged issued share capital of 372,000,002 ordinary shares after the IPO.

N/A Not applicable.

B10. CHANGES IN MATERIAL LITIGATION

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

EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)

(Incorporated in Malaysia under the Companies Act, 2016)

B11. DISCLOSURE ON SELECTED (INCOME)/EXPENSE ITEMS

Included in PBT comprised the following (income)/expense items: -

	Individual quarter		Cumulative period	
	Current quarter ended	Comparative quarter ended	Current period-to-date ended	Comparative period-to-date ended
	31-Mar-2024	31-Mar-2023 ⁽¹⁾	31-Mar-2024	31-Mar-2023 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is stated after charging/(crediting): -				
Allowances for impairment loss of trade receivables	255	N/A	255	N/A
Amortisation of intangible assets	2	N/A	2	N/A
Bad debts written off	182	N/A	182	N/A
Depreciation of: -				
• Property, plant and equipment	278	N/A	278	N/A
• Rights-of-use assets	132	N/A	132	N/A
Directors' salaries and allowances	462	N/A	462	N/A
Interest expenses	91	N/A	91	N/A
Loss on foreign exchange: -				
• Realised	27	N/A	27	N/A
• Unrealised	77	N/A	77	N/A
Short term and low value leases: -				
• Rental of premises	18	N/A	18	N/A
• Rental of plant and machinery	4	N/A	4	N/A
• Rental of office equipment	2	N/A	2	N/A
• Rental of motor vehicle	*	N/A	*	N/A
Write down of inventories	48	N/A	48	N/A
Gain on foreign exchange: -				
• Realised	(48)	N/A	(48)	N/A
• Unrealised	(201)	N/A	(201)	N/A
Interest income	(27)	N/A	(27)	N/A
Rental income	(1)	N/A	(1)	N/A
Reversal of allowance for impairment loss on trade receivables	(642)	N/A	(642)	N/A
Reversal of write-down of inventories	*	N/A	*	N/A

EPB GROUP BERHAD

Registration No. 202201007128 (1452825-U)
(Incorporated in Malaysia under the Companies Act, 2016)

B11. DISCLOSURE ON SELECTED (INCOME)/EXPENSE ITEMS (cont'd)

Notes: -

(1) There are no comparative figures for the comparative quarter and period-to-date, as this interim financial report ended 31 March 2024 is the first interim financial report issued and announced by the Company in compliance with the Listing Requirements.

N/A Not applicable.

* Less than RM1,000.

B12. FINANCIAL INSTRUMENTS

Derivatives

The Group does not have any derivative financial instruments for the current quarter and financial period-to-date under review.

Disclosures of Gain/Losses arising from Fair Value Changes of Financial Liabilities

There were no gains/losses arising from fair value changes of the financial liabilities reported by the Group for the current quarter and financial period-to-date under review.

By Order of the Board

27 June 2024