

ETA GROUP BERHAD (formerly known as Rex Industry Berhad)

(Incorporated in Malaysia) Com. No. 199301027926 (282664-K)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 June 2026 (Unaudited)

	<i>As at</i> <i>30/6/2026</i> <i>RM'000</i>	<i>Audited</i> <i>As at</i> <i>31/12/2025</i> <i>RM'000</i>
ASSETS		
Non-current assets		
Property, plant and equipment	13,055	14,160
Right-of-use assets	207	246
Goodwill on consolidation	7,037	7,037
	<u>20,299</u>	<u>21,443</u>
Current assets		
Inventories	24,357	30,004
Trade and other receivables	32,753	98,960
Tax recoverable	228	263
Cash and cash equivalents	38,815	2,665
	<u>96,153</u>	<u>131,892</u>
Total assets	<u>116,452</u>	<u>153,335</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	113,717	113,717
Warrant reserve	2,093	2,093
Other reserve	(563)	(563)
Translation reserve	(16,705)	(14,268)
Accumulated losses	(4,483)	(5,581)
Total equity	<u>94,059</u>	<u>95,398</u>
Non-current liabilities		
Deferred tax liabilities	1,439	1,501
Lease liabilities	60	78
	<u>1,499</u>	<u>1,579</u>
Current Liabilities		
Borrowings	11,557	11,171
Trade and other payables	9,196	44,891
Lease liabilities	42	74
Tax payable	99	222
	<u>20,894</u>	<u>56,358</u>
Total liabilities	<u>22,393</u>	<u>57,937</u>
Total equity and liabilities	<u>116,452</u>	<u>153,335</u>
Net assets per share (RM)	0.14	0.15
	-	-

The condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and audited financial statements for the year ended 31 December 2025

ETA GROUP BERHAD (formerly known as Rex Industry Berhad)

(Incorporated in Malaysia) Com. No. 199301027926 (282664-K)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 30 June 2026 (Unaudited)

	INDIVIDUAL QUARTER 2nd Quarter		CUMULATIVE QUARTER 2nd Quarter	
	30/6/2026	30/6/2025	30/6/2026	30/6/2025
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	23,103	-	43,366	-
Operating profit	1,145	-	1,798	-
Interest expense	(170)	-	(305)	-
Profit before tax	975	-	1,493	-
Taxation	(247)	-	(395)	-
Profit for the period	728	-	1,098	-
Other comprehensive income/(loss), net of tax <i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation	(1,534)	-	(2,437)	-
Defined benefit plan actuarial gain/(loss)	-	-	-	-
Total other comprehensive loss for the period	(1,534)	-	(2,437)	-
Total comprehensive loss for the period	(806)	-	(1,339)	-
Profit for the period attributable to :				
Owners of the parent	728	-	1,098	-
Total comprehensive loss attributable to :				
Owners of the parent	(806)	-	(1,339)	-
Basic and diluted earning per ordinary share (sen)	0.11	-	0.17	-

As announced on 4 June 2025, the financial year end of the Group has been changed from 30 June 2025 to 31 December 2025. As such, there is no comparative financial information available for the preceding year corresponding period.

The condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and audited financial statements for the year ended 31 December 2025

ETA GROUP BERHAD (formerly known as Rex Industry Berhad)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 30 June 2026 (Unaudited)

	Share capital	Non- distributable Translation reserve	Warrant reserve	Other reserve	Retained profits /(Accumulated losses)	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2024	113,717	(4,780)	2,093	(2,093)	(12,576)	96,361
Foreign currency translation difference for foreign operations	-	(6,462)	-	-	-	(6,462)
Defined benefit plan actuarial gain	-	-	-	-	311	311
Total other comprehensive (loss)/income for the period	-	(6,462)	-	-	311	(6,151)
Profit for the financial period	-	-	-	-	5,188	5,188
Total comprehensive income/(loss) for the period	-	(6,462)	-	-	5,499	(963)
Reclassification of foreign currency translation difference	-	(3,026)	-	-	3,026	-
Reclassification of defined benefit plan	-	-	-	1,530	(1,530)	-
At 31 December 2025	113,717	(14,268)	2,093	(563)	(5,581)	95,398
At 1 January 2026	113,717	(14,268)	2,093	(563)	(5,581)	95,398
Foreign currency translation difference for foreign operations	-	(2,437)	-	-	-	(2,437)
Defined benefit plan actuarial gain	-	-	-	-	-	-
Total other comprehensive loss for the period	-	(2,437)	-	-	-	(2,437)
Profit for the financial period	-	-	-	-	1,098	1,098
Total comprehensive income/(loss) for the period	-	(2,437)	-	-	1,098	(1,339)
At 30 June 2026	113,717	(16,705)	2,093	(563)	(4,483)	94,059

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and audited financial statements for the year ended 31 December 2025

ETA GROUP BERHAD (formerly known as Rex Industry Berhad)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 30 June 2026 (Unaudited)

	Current Period Ended 30/6/2026 RM'000	Preceding Period Ended 30/6/2025 RM'000
Cash flows from operating activities		
Profit before tax	1,493	-
Adjustments for :		
Depreciation of investment properties	182	-
Depreciation of right-of-use assets	23	-
Interest expense	305	-
Interest income	(322)	-
Unrealised gain on foreign exchange, net	(9)	-
Operating period before changes in working capital	1,672	-
Changes in working capital :		
Inventories	3,720	-
Receivables	64,963	-
Payables	(34,493)	-
Cash from operations	35,862	-
Interest paid	(305)	-
Interest received	322	-
Tax paid	(489)	-
Net cash from operating activities	35,390	-
Cash flows used in investing activities		
Acquisition of property, plant and equipment	(170)	-
Net cash used in investing activities	(170)	-
Cash flows from financing activities		
Drawdown of bank borrowings, net	1,131	-
Payment for the principal portion of lease liabilities	(40)	-
Net cash from financing activities	1,091	-
Net increase in cash and cash equivalents	36,311	-
Cash and cash equivalents at the beginning of the financial period	2,665	-
Effect of exchange rate changes on cash and bank balances	(161)	-
Cash and cash equivalents at end of the financial period	38,815	-

Cash and cash equivalents comprise of the following:-

	30/6/2026 RM'000	30/6/2025 RM'000
Cash and bank balances	33,815	-
Fixed deposit with licensed bank	5,000	-
	38,815	-

As announced on 4 June 2025, the financial year end of the Group has been changed from 30 June 2025 to 31 December 2025. As such, there is no comparative financial information available for the preceding year corresponding period.

The condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and audited financial statements for the year ended 31 December 2025

ETA GROUP BERHAD (formerly known as Rex Industry Berhad)

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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD 30 June 2026 (Unaudited)

1. Basis of preparation

This condensed consolidated interim financial report is unaudited and has been prepared in compliance with Malaysian Financial Reporting Standard ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group for the financial period ended 31 December 2025. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial period ended 31 December 2025. The condensed consolidated interim financial statements and notes do not include all of the information required for full set of financial statement prepared in accordance with MFRS.

The Group and the Company have also considered the new accounting pronouncements in the preparation of the financial statements.

a) New standards that are effective and adopted during the financial year

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements
Amendments to MFRS 121	Lack of Exchangeability
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Accounting Standards- Volume 11
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature – dependent Electricity

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous year. The adoption of the above amendments did not have any significant financial impact on the financial statements.

b) Standards issued but not yet effective and have not been early adopted

The Group and the Company have not adopted the following Standards, Amendments and Issues Committee Interpretations of the MFRS framework have been issued by the Malaysian Accounting Standards Board but are not yet effective and have not been adopted by the Group and the Company:

MFRS 18	Presentation and Disclosure in Financial Statements	Effective Date after
MFRS 19	Subsidiaries without Public Accountability	1 January 2027
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	Effective date to be announced

The Group and the Company will adopt the above pronouncements when they become effective in the respective financial period.

MFRS 18 will have an impact on the Company's presentation of statements of profit or loss and other comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Company's financial statements.

Except for MFRS 18, the other pronouncements are not expected to have any material financial impact to the current and prior period's financial statements of the Company upon their initial application.

2. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the period ended 31 December 2025 was not qualified.

3. Seasonality of operations

The business of the Group was not affected by any significant seasonal or cyclical factors in the current quarter.

4. Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence in the current quarter and the financial period-to-date.

5. Material changes in estimates

There were no significant changes in the nature and amount of estimates used in prior interim reporting or prior financial years that have a material effect on the current quarter and financial period-to-date.

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6. Issuances and repayment of debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current quarter.

7. Dividends paid

No dividend was paid during the current quarter.

8. Segmental information

The segmental results of the Group for the financial period ended 30 June 2026 based on segment activities are as follows:

	Property & Construction RM'000	Food & Beverage RM'000	Holding Company RM'000	Group RM'000
Revenue	924	42,442	-	43,366
Profit /(loss) before tax	10	1,633	(151)	1,493
Taxation	(5)	(390)	-	(395)
Profit /(loss) for the period	5	1,243	(151)	1,098

In presenting geographical information, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets. The amounts of non-current assets do not include financial instruments and deferred tax assets.

Geographical information

	Revenue RM'000	Non-current assets RM'000
Period ended 30 June 2026		
Malaysia	4,275	7,037
America	27,019	-
Europe	11,620	-
Asia (Excludes Malaysia)	452	13,262
Consolidated	43,366	20,299

9. Carrying amount of revaluation assets

The valuation of property, plant and equipment have been brought forward without amendments from the financial statements for the period ended 31 December 2025.

10. Material events subsequent to the end of the reporting period

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

11. Changes in the composition of the Group

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

12. Changes in contingent liabilities or contingent assets

	30/6/2026 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	11,557

13. Capital commitment

As at 30 June 2026, the capital commitments are as follows:

	30/6/2026 RM'000
Authorised and contracted for:	
Investment Property	14,850
Building in progress	303

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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD 30 June 2026 (Unaudited)

14. Significant related party transactions

The Group carried out the following significant transactions with the related parties during the current quarter:

	Individual Quarter Quarter Ended 30/6/2026 RM'000	Cumulative Quarter Period Ended 30/6/2026 RM'000
Services from/(to) related parties		
-Trading of building materials services	741	741
-Transportation, freight handling services and warehouse management	185	323
-Trading of canned food and confectionery products	(1,939)	(3,407)

15. Review of earnings and / or revenue of the Company and its subsidiaries for current quarter and financial period-to-date

	3 months ended 30/6/2026 RM'000	3 months ended 30/6/2025 RM'000
Continuing operations		
Revenue	23,103	-
Profit before tax	975	-

As announced on 4 June 2025, the financial year end of the Group has been changed from 30 June 2025 to 31 December 2025. As such, there is no comparative financial information available for the corresponding period of the preceding financial year.

16. Material change in Profit/(Loss) Before Taxation reported on as compared with the immediate preceding quarter

	3 months ended 30/6/2026 RM'000	3 months ended 31/3/2026 RM'000
Continuing operations		
Revenue		
- Property & Construction Business	924	-
- Food & Beverage Business	22,179	20,263
	23,103	20,263
Profit before tax		
- Property & Construction Business	52	(41)
- Food & Beverage Business	1,037	596
- Holding company	(114)	(37)
	975	518

Property & Construction Business

For the quarter under review, the Property & Construction business recorded revenue of RM0.92 million, as compared to nil revenue in the preceding quarter. The absence of revenue in the preceding quarter was due to the Group's diversification exercise to include the Property & Construction business as part of its principal business activities being pending shareholders' approval, which was obtained on 27 March 2026. Following the completion of the diversification exercise, the Group commenced operations, with the revenue recognised in the current quarter derived mainly from the supply of construction building materials.

The higher profit before tax was mainly attributable to the revenue contribution from the Property & Construction segment following the completion of the diversification exercise.

Food & Beverage Business ("F&B")

The F&B business recorded a 9.5% increase in revenue to RM22.2 million for the 2nd quarter ended 30 June 2026 from RM20.3 million in the preceding quarter. The increase in revenue was mainly attributable to strong demand from overseas markets during the quarter under review.

The Group recorded a profit before tax of RM1.0 million, as compared with RM0.6 million in the preceding quarter. The improvement was mainly driven by better sales performance and operational efficiencies.

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17. Current year prospects

Following the completion of the diversification exercise to include the Property & Construction business as part of its principal business activities, the Group expects this segment to become an increasingly significant contributor to its performance. Subsequent to the end of the reporting period, the Group obtained the Construction Industry Development Board ("CIDB") Grade 7 ("G7") certification, effective 28 July 2026. G7 is the highest grade of registration and does not impose a limit on the value of construction contracts which may be tendered for, thereby enhancing the Group's capability to undertake projects of a larger scale.

The Group has also entered into a sale and purchase agreement for the acquisition of an investment property, with completion expected in due course. The property is acquired as an investment which is expected to generate returns to the Group.

Meanwhile, the Group has secured construction agreements with an aggregate contract value of approximately RM13 million for the design and build of industrial factory and warehouse buildings in Mukim Rawang, Daerah Gombak, Selangor. These are amongst the first substantial contracts secured and mark the operationalisation of the segment, enabling the Group to establish a track record and build its order book in the design and build of industrial properties. The contracts provide recurring construction revenue and earnings visibility over the twenty-four (24)-month duration of the works and allow the Group to realise operational synergies with its existing trading and supply of construction materials.

The Group will continue to place significant focus on the Property & Construction segment, including exploring further development projects and construction work orders which complement its other business segments.

Barring any unforeseen circumstances, the Group remains cautiously optimistic that these initiatives will contribute positively to its long-term growth and sustainability.

18. Variance of actual and forecast profit

Not applicable as no profit forecast was published.

19. Tax expense

	Individual Quarter Quarter Ended 30/6/2026 RM'000	Cumulative Quarter Period Ended 30/6/2026 RM'000
Current income tax		
Malaysia	5	5
Overseas	245	396
	<u>250</u>	<u>401</u>
Deferred tax		
Reversal of temporary differences	(3)	(6)
	<u>247</u>	<u>395</u>

The disproportionate tax charge in relation to the results of the Group for the current financial period to date was mainly due to no Group tax relief for losses incurred by certain subsidiaries.

20. Status of corporate proposals announced

There were no other corporate proposals that have been announced by the Company as at the date of this announcement other than the followings:-

The Group had on 22 May 2026 announced that ETA Development Sdn Bhd, a wholly-owned subsidiary, had entered into a sale and purchase agreement with Fitters Diversified Berhad for the proposed acquisition of all that piece of freehold land held under title no. H.S.(D) 85928, PT 23968, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor measuring approximately 1,779.035 square metres (19,150 square feet) in area together with a 5-storey office/ factory building and a basement carpark for a total purchase consideration of RM16.50 million ("Proposed Acquisition").

The Proposed Acquisition is not subject to the approval of the shareholders and is not conditional upon any other proposals undertaken or to be undertaken by the Group. Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed in the second half of 2026.

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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD 30 June 2026 (Unaudited)

21. Utilisation of proceeds raised from corporate proposals

- a) The Company had on 30 August 2022 completed a Renounceable Rights Issue of 164,417,645 new ordinary shares on the basis of 1 Rights Shares for every 3 existing Rex Shares held together with 54,805,881 free detachable Warrants on the basis of 1 Warrant for every 3 Rights Shares subscribed on the main board of Bursa Securities. The Renounceable Rights Issue with warrants had raised a gross proceeds of RM16.44 million. Status of utilisation of proceeds derived from the corporate proposal by the company as at the end of the reporting period is as follows:-

Details of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Unutilised proceeds RM'000	Timeframe for utilisation after extension of time
Business expansion	10,000	(7,588)	2,412	within 60 months *
Working capital	5,882	(5,882)	-	
Expenses for corporate exercise	560	(560)	-	
	<u>16,442</u>	<u>(14,030)</u>	<u>2,412</u>	

* the company had on 23 February 2026 announced the extension of timeframe for the utilisation of proceeds raised from Proposed Right Issue with Warrants for a further period of 18 months until 28 August 2027.

- b) The Group had on 17 September 2025 announced that the Group entered into a conditional share sale agreement ("SSA") with Darmendran Kunaretnam for disposal of the entire equity interest in Rex Canning Co. Sdn Bhd and Rex Trading Sdn Bhd for a total disposal consideration of RM40.00 million ("Disposal"). Status of utilisation of proceeds derived from the Disposal as at the end of the reporting period is as follows:-

Details of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Unutilised proceeds RM'000	Timeframe for utilisation
Working capital	39,700	(4,360)	35,340	within 24 months
Expenses for corporate exercise	300	(300)	-	
	<u>40,000</u>	<u>(4,660)</u>	<u>35,340</u>	

22. Group borrowings

The Group's borrowings as at the end of the reporting period are as follows :-

	Payable within 12 months RM'000	Payable after 12 months RM'000
As at 30 June 2026		
Denominated in USD		
Bankers' acceptance	11,557	-
	<u>11,557</u>	<u>-</u>
As at 31 December 2025		
Denominated in USD		
Bankers' acceptance	11,171	-
	<u>11,171</u>	<u>-</u>

23. Changes in material litigation

There were no material litigations at the date of this interim financial report.

24. Dividends

The Board of directors did not recommend any dividend in respect of the financial period ended 30 June 2026.

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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD 30 June 2026 (Unaudited)

25. Profit before tax

	Individual Quarter Quarter Ended 30/6/2026 RM'000	Cumulative Quarter Period Ended 30/6/2026 RM'000
Profit before tax is arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	126	182
Depreciation of right-of-use assets	12	23
Interest expense	170	305
Interest income	(95)	(322)
Realised loss on foreign exchange	53	105
Unrealised gain on foreign exchange, net	(19)	(9)

26. Earnings per ordinary share

The earnings per share was computed based on the net profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares.

	Individual Quarter Quarter Ended 30/6/2026	Cumulative Quarter Period Ended 30/6/2026
Basic earning per share:		
Profit after tax attributable to owners of the Company (RM'000)	728	1,098
Weighted average number of shares in issue ('000)	657,671	657,671
Basic earning per share (sen)	0.11	0.17

As announced on 4 June 2025, the financial year end of the Group has been changed from 30 June 2025 to 31 December 2025. As such, there is no comparative financial information available for the preceding year corresponding period.

The diluted earning per share of the Group is similar to the basic earning per share as the Group does not have any material potential dilutive ordinary shares in issue.