

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2018

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Financial Quarter Ended				Cumulative Financial Quarter Ended			
	30.06.2018	30.06.2017	Changes		30.06.2018	30.06.2017	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	<u>67,841</u>	<u>60,972</u>	6,869	11.3%	<u>199,401</u>	<u>210,520</u>	(11,119)	(5.3%)
Results from operating activities	5,219	3,014	2,205	73.2%	19,031	24,819	(5,788)	(23.3%)
Finance costs	(271)	(398)	(127)	(31.9%)	(893)	(1,473)	(580)	(39.4%)
Finance income	114	42	72	171.4%	222	118	104	88.1%
Net finance costs	(157)	(356)	(199)	(55.9%)	(671)	(1,355)	(684)	(50.5%)
Share of (loss) / gain of equity-accounted joint venture, net of tax	(10)	89	(99)	(111.2%)	282	414	(132)	(31.9%)
Profit before tax	<u>5,052</u>	<u>2,747</u>	2,305	83.9%	<u>18,642</u>	<u>23,878</u>	(5,236)	(21.9%)
Tax expense	(1,021)	(922)	99	10.7%	(3,996)	(6,171)	(2,175)	(35.2%)
Profit for the period	<u>4,031</u>	<u>1,825</u>	2,206	120.9%	<u>14,646</u>	<u>17,707</u>	(3,061)	(17.3%)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2018

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

(The figures have not been audited)

	Individual Financial Quarter Ended		Changes		Cumulative Financial Quarter Ended		Changes	
	30.06.2018 RM'000	30.06.2017 RM'000	RM'000	%	30.06.2018 RM'000	30.06.2017 RM'000	RM'000	%
Other comprehensive income, net of tax								
Foreign currency translation differences for foreign operations	32	(112)	144	128.6%	(448)	240	(688)	(286.7%)
Cash flow hedge	(768)	-	768	100.0%	(768)	-	768	100.0%
Total other comprehensive (expense) / income for the period	(736)	(112)	624	557.1%	(1,216)	240	(1,456)	(606.7%)
Total comprehensive income for the period	<u>3,295</u>	<u>1,713</u>	1,582	92.4%	<u>13,430</u>	<u>17,947</u>	(4,517)	(25.2%)
Profit attributable to:								
Owners of the Company	3,652	1,807	1,845	102.1%	14,268	17,717	(3,449)	(19.5%)
Non-controlling interests	379	18	361	2005.6%	378	(10)	388	3880.0%
	<u>4,031</u>	<u>1,825</u>	2,206	120.9%	<u>14,646</u>	<u>17,707</u>	(3,061)	(17.3%)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2018

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

(The figures have not been audited)

	Individual Financial				Cumulative Financial			
	Quarter Ended		Changes		Quarter Ended		Changes	
	30.06.2018	30.06.2017	RM'000	%	30.06.2018	30.06.2017	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Total comprehensive income attributable to:								
Owners of the Company	2,913	1,707	1,206	70.7%	13,097	17,933	(4,836)	(27.0%)
Non-controlling interests	382	6	376	6266.7%	333	14	319	2278.6%
	<u>3,295</u>	<u>1,713</u>	1,582	92.4%	<u>13,430</u>	<u>17,947</u>	(4,517)	(25.2%)
Earnings per share:								
- Basic (sen)	<u>2.81</u>	<u>1.39</u>			<u>10.98</u>	<u>13.63</u>		
- Diluted (sen)	<u>N/A</u>	<u>N/A</u>			<u>N/A</u>	<u>N/A</u>		

(The unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2018

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Financial			
	Quarter Ended			
	30.06.2018	31.03.2018	RM'000	%
Revenue	<u>67,841</u>	<u>61,447</u>	6,394	10.4%
Results from operating activities	5,219	5,096	123	2.4%
Finance costs	(271)	(365)	(94)	(25.8%)
Finance income	114	67	47	70.1%
Net finance costs	(157)	(298)	(141)	(47.3%)
Share of (loss) / gain of equity-accounted joint venture, net of tax	<u>(10)</u>	<u>91</u>	(101)	(111.0%)
Profit before tax	5,052	4,889	163	3.3%
Tax expense	<u>(1,021)</u>	<u>(1,356)</u>	(335)	(24.7%)
Profit for the period	<u>4,031</u>	<u>3,533</u>	498	14.1%
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	32	(244)	276	113.1%
Cash flow hedge	<u>(768)</u>	<u>-</u>	768	100.0%
Total other comprehensive expense for the period	<u>(736)</u>	<u>(244)</u>	492	201.6%
Total comprehensive income for the period	<u>3,295</u>	<u>3,289</u>	6	0.2%
Profit attributable to:				
Owners of the Company	3,652	3,546	106	3.0%
Non-controlling interests	<u>379</u>	<u>(13)</u>	392	3015.4%
	<u>4,031</u>	<u>3,533</u>	498	14.1%

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2018

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

(The figures have not been audited)

	Individual Financial			
	Quarter Ended			
	30.06.2018	31.03.2018	RM'000	%
	RM'000	RM'000	RM'000	
Total comprehensive income attributable to:				
Owners of the Company	2,913	3,327	(414)	(12.4%)
Non-controlling interests	382	(38)	420	1105.3%
	<u>3,295</u>	<u>3,289</u>	6	0.2%
Earnings per share:				
- Basic (sen)	<u>2.81</u>	<u>2.73</u>		
- Diluted (sen)	<u>N/A</u>	<u>N/A</u>		

(The unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2018

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	(Unaudited) 30.06.2018 RM'000	(Audited) 30.09.2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,057	23,702
Intangible assets	2,193	2,677
Investment properties	3,936	3,718
Investment in joint venture	984	702
Other investments	10	10
Deferred tax assets	5,054	3,801
Total non-current assets	35,234	34,610
Current assets		
Inventories	35,248	43,936
Current tax assets	1,599	1,956
Trade and other receivables	97,474	103,224
Deposits and prepayments	4,837	2,624
Derivative financial assets	67	3
Cash and cash equivalents	63,622	45,087
Total current assets	202,847	196,830
TOTAL ASSETS	<u>238,081</u>	<u>231,440</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	69,302	69,302
Reserves	96,887	87,690
Total equity attributable to owners of the Company	166,189	156,992
Non-controlling interests	1,652	1,332
TOTAL EQUITY	<u>167,841</u>	<u>158,324</u>

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2018

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

	Note	(Unaudited) 30.06.2018 RM'000	(Audited) 30.09.2017 RM'000
EQUITY AND LIABILITIES			
(continued)			
Non-current liabilities			
Loans and borrowings	B7	6,610	7,287
Deferred tax liabilities		267	338
Total non-current liabilities		6,877	7,625
Current liabilities			
Loans and borrowings	B7	9,155	9,993
Deferred income		1,972	7,326
Provision for warranties		860	1,006
Current tax payable		1,154	759
Trade and other payables		48,829	46,114
Derivative financial liabilities		1,393	293
Total current liabilities		63,363	65,491
TOTAL LIABILITIES		70,240	73,116
TOTAL EQUITY AND LIABILITIES		238,081	231,440
Net assets per share attributable to equity holders of the Company (RM)		1.29	1.21

(The unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2018

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	< ----- Attributable to owners of the Company ----- >						Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	< ----- Non-Distributable ----- >			Distributable					
<u>9 Months Period Ended</u> <u>30 June 2018</u>	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Hedging Reserve RM'000	Retained Profits RM'000			
At 1 October 2017	69,302	-	(5)	1,154	-	86,541	156,992	1,332	158,324
Foreign currency translation differences for foreign operation	-	-	-	(403)	-	-	(403)	-	(403)
Cash flow hedge	-	-	-	-	(768)	-	(768)	-	(768)
Profit for the year	-	-	-	(403)	(768)	14,268	(1,171)	-	(1,171)
Total comprehensive income for the period	-	-	-	(403)	(768)	14,268	13,097	333	13,430
Dividend to owners of the Company	-	-	-	-	-	(3,900)	(3,900)	-	(3,900)
Dividends to non-controlling interest	-	-	-	-	-	-	-	(13)	(13)
At 30 June 2018	69,302	-	(5)	751	(768)	96,909	166,189	1,652	167,841

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2018

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

(The figures have not been audited)

	< ----- Attributable to owners of the Company ----- >						Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	< ----- Non-Distributable ----- >			Distributable					
<u>9 Months Period Ended</u> <u>30 June 2017</u>	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Hedging Reserve RM'000	Retained Profits RM'000			
At 1 October 2016	65,000	4,302	(5)	961	-	71,820	142,078	1,460	143,538
Foreign currency translation differences for foreign operation	-	-	-	216	-	-	216	-	216
Profit for the year	-	-	-	-	-	17,717	17,717	14	17,731
Total comprehensive income for the period	-	-	-	216	-	17,717	17,933	14	17,947
Dividend to owners of the Company	-	-	-	-	-	(2,600)	(2,600)	-	(2,600)
Transfer in accordance with Section 618(2) of the Companies Act 2016	4,302	(4,302)	-	-	-	-	-	-	-
At 30 June 2017	69,302	-	(5)	1,177	-	86,937	157,411	1,474	158,885

(The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2018

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	9 Months Period Ended	
	30.06.2018	30.06.2017
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	18,642	23,878
Adjustments for:		
Amortisation of investment properties	20	20
Amortisation of development costs	123	217
(Reversal) / Allowance of foreseeable losses	(55)	52
Reversal of provision for warranties	(156)	(17)
Warranty claimed	10	(12)
Depreciation of property, plant and equipment	1,373	1,444
Property, plant and equipment written off	3	-
Gain on disposal of property, plant and equipment	(1)	(26)
Fair value loss / (gain) on forward exchange contracts	268	(512)
Finance costs	893	1,473
Finance income	(222)	(118)
Share of gain of equity-accounted joint venture, net of tax	(282)	(414)
Unrealised foreign exchange loss / (gain)	10	(130)
	<hr/>	<hr/>
Operating profit before changes in working capital	20,626	25,855
Changes in working capital:		
Inventories	8,630	2,762
Trade and other receivables, deposits and prepayments	3,361	20,045
Trade and other payables and deferred income	(2,291)	(11,177)
	<hr/>	<hr/>
Cash generated from operations	30,326	37,485
Income taxes paid	(4,564)	(6,256)
Interest paid	(313)	(638)
Interest received	222	118
	<hr/>	<hr/>
Net cash generated from operating activities	25,671	30,709
CASH FLOWS FROM INVESTING ACTIVITY		
Proceeds from disposal of property, plant and equipment	10	44
Purchase of property, plant and equipment	(656)	(632)
	<hr/>	<hr/>
Net cash used in investing activity	(646)	(588)
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Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2018

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(The figures have not been audited)

	9 Months Period Ended	
	30.06.2018	30.06.2017
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(3,900)	(2,600)
Dividend paid to non-controlling interest	(13)	-
Repayment of loans and borrowings	(291)	(15,094)
Repayment of finance lease liabilities	(275)	(280)
Interest paid	(580)	(835)
Net cash used in financing activities	(5,059)	(18,809)
Net increase in cash and cash equivalents	19,966	11,312
Foreign exchange differences on cash held	(387)	207
Cash and cash equivalents at beginning of the financial year	44,043	33,792
Cash and cash equivalents at end of the financial year	63,622	45,311
Cash and cash equivalents included in the statements of cash flows comprise:-		
Cash and bank balances	34,876	35,200
Liquid investments	28,746	11,105
Bank overdrafts	-	(994)
	63,622	45,311

(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.)

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”)

A1. Basis of Preparation

The unaudited interim financial statements for the year ended 30 June 2018, have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standard Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The unaudited interim financial statements should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 30 September 2017. The explanatory notes attached to the interim financial statements 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 year ended 30 September 2017.

The accounting policies applied by the Group in these interim financial statements are consistent with the audited financial statement for the financial year ended 30 September 2017, except for the adoption of the following:-

MFRSs, Interpretation and Amendments to MFRSs and IC interpretation effective for annual periods beginning on or after 1 January 2017.

- Amendments to MFRS 12, *Disclosure of Interests in Other Entities* (*Annual Improvements to MFRS Standards 2014 - 2016 Cycle*)
- Amendments to MFRS 107, *Statement of Cash Flows – Disclosure Initiative*
- Amendments to MFRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

A2. Auditors’ Report on Preceding Annual Financial Statements

There was no qualification in the audit report of the preceding annual financial statements.

A3. Seasonality or Cyclical Factors

Save for certain business activities which are project based, our Group does not experience any material seasonality.

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

During the current financial quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A5. Nature and Amount of Changes in Estimates

There were no material changes in estimates during the financial quarter under review.

A6. Debts and Securities

There were no issuances, cancellations, repurchases and repayments of debt and equity securities for the current financial quarter under review.

Details of treasury shares held:-

	No. of Shares	Amount RM
Balance as at 1 October 2017 / 30 June 2018	4,000	5,050

A7. Dividends Paid and Distributed

During the quarter under review, no dividend was paid.

A8. Segmental Information

Segmental information in respect of the Group’s business activities for the financial year to date ended 30 June 2018.

	Revenue RM’000	Profit before Tax RM’000
Marketing and Distribution	64,992	5,461
Manufacturing	84,547	2,829
Services	49,862	10,352
Reportable segment	199,401	18,642

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

A9. Subsequent Material Event

There was no material event subsequent to the end of current financial quarter that has not been reflected in the financial statements.

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial quarter under review.

A11. Capital Commitments

Outstanding commitments in respects of capital expenditure for the Group at reporting date not provided for in the financial statements are:

	RM’000
Balance purchase consideration on acquisition of property, plant and equipment	<u>15,697</u>

A12. Changes in Contingent Liabilities

Corporate guarantee given by the Company to secure banking facilities granted to subsidiaries:

	RM’000
At 1 October 2017	184,350
Increase in borrowing facilities	<u>14,600</u>
At 30 June 2018	<u>198,950</u>

Performance guarantee given by subsidiaries for performance of contracts issued to third parties:

	RM’000
At 1 October 2017	11,812
Addition	<u>6,347</u>
At 30 June 2018	<u>18,159</u>

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

A13. Significant Related Party Transactions

The Group has the following significant transactions with the related parties during the financial quarter under review:

Company	Relationship
CTL Automation Sdn Bhd (“CTL”)	A company in which two (2) of the directors and substantial shareholders are the brother and sister-in-law of the Executive Director, Mr. Lim Joo Swee respectively.
QL Endau Marine Products Sdn Bhd (“QLEMP”)	A company in which a director and substantial shareholder is also the Non-Independent Non-Executive Director of EITA.
Sigriner Automation (MFG) Sdn Bhd (“Sigriner”)	A 50% joint venture company of EITA-Schneider (Mfg) Sdn Bhd (“ESM”) in which two (2) of the directors are the Executive Directors of EITA, the holding company of ESM.
UMW Synergistic Generation Sdn Bhd (“UMW”)	Our Independent Non-Executive Chairman who is also a Director of UMW Holdings Berhad, the holding company of UMW.

	Cumulative Financial Quarter Ended	
	30.06.2018 RM’000	30.06.2017 RM’000
<u>CTL Automation Sdn Bhd (“CTL”)</u>		
- Repairs and purchase of elevators parts	(422)	(335)
- Sales of electrical equipment	85	-
<u>QL Endau Marine Products Sdn Bhd (“QLEMP”)</u>		
- Sales of electrical equipment	9	4
<u>Sigriner Automation (MFG) Sdn Bhd (“Sigriner”)</u>		
- Sales of elevator controllers and components, provision of management services and rental	122	115
- Purchase of elevator controllers	(3,766)	(4,181)
<u>UMW Synergistic Generation Sdn Bhd (“UMW”)</u>		
- Sales of power equipments	285	311

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)

B1. Review of Performance for the Current Financial Quarter and Financial Year To-Date

	Individual Financial Quarter Ended		% change	Cumulative Financial Quarter Ended		% change
	30.06.2018 RM'000	30.06.2017 RM'000		30.06.2018 RM'000	30.06.2017 RM'000	
Revenue						
Marketing and Distribution	21,291	21,467	(0.8%)	64,992	65,066	(0.1%)
Manufacturing Services	21,536	30,258	(28.8%)	84,547	114,623	(26.2%)
	25,014	9,247	170.5%	49,862	30,831	61.7%
Total	<u>67,841</u>	<u>60,972</u>	11.3%	<u>199,401</u>	<u>210,520</u>	(5.3%)
Profit before Tax ("PBT") / (Loss) before Tax ("LBT")						
Marketing and Distribution	1,208	2,133	(43.4%)	5,461	7,577	(27.9%)
Manufacturing Services	(351)	(853)	58.9%	2,829	11,588	(75.6%)
	4,195	1,467	186.0%	10,352	4,713	119.6%
Total	<u>5,052</u>	<u>2,747</u>	83.9%	<u>18,642</u>	<u>23,878</u>	(21.9%)

The total revenue of the Group for the current quarter increased by RM6.9 million or 11.3% as compared to the preceding year corresponding quarter mainly due to higher revenue from Services segment but mitigated by lower revenue from Manufacturing and Marketing and Distribution segments.

Cumulatively, the Group revenue decreased by RM11.0 million or 5.3% as compared to the preceding corresponding period mainly due to lower revenue from Manufacturing and Marketing and Distribution segments.

The total PBT of the Group for the current quarter increased by RM2.3 million or 83.9% was in tandem with the higher revenue, unrealised foreign exchange gain on the fair value valuation of the forward exchange contracts and reversal of provision for allowance for doubtful debts. However, this was partially offset with inventories written down to net realisable value.

Cumulatively, the Group PBT decreased by RM5.2 million or 21.9% was in tandem with the lower revenue, higher inventories written down to net realisable value in Marketing and Distribution segment and foreign exchange loss.

**B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B) (continued)**

**B1. Review of Performance for the Current Financial Quarter and Financial Year To-Date
(Cont'd)**

(i) Marketing and Distribution Segment

Current quarter revenue decreased by RM0.2 million or 0.8% mainly due to lower demand for electrical and electronics (“E&E”) components.

Cumulative revenue decreased by RM0.1 million or 0.1% for the same reason.

Current quarter PBT decreased by RM0.9 million or 43.4% corresponding to the lower revenue and higher inventories written down to net realisable value.

Cumulative PBT decreased by RM2.1 million or 27.9% for the same reason.

(ii) Manufacturing Segment

Current quarter revenue decreased by RM8.7 million or 28.8% mainly due to lower execution of elevator projects and lower revenue from Busduct.

Cumulative revenue decreased by RM30.1 million or 26.2% for the same reason.

Current quarter reported LBT of RM0.4 million compared against preceding corresponding quarter LBT of RM0.9 million mainly due to unrealised foreign exchange gain on fair value valuation of the forward exchange contracts.

Cumulative PBT decreased by RM8.8 million or 75.6% mainly due to lower revenue and foreign exchange loss.

(iii) Service Segment

Current quarter revenue increased by RM15.8 million or 170.5% mainly due to higher execution of Transmission Sub-Station projects and elevator maintenance contract and repair sales.

Cumulative revenue increased by RM19.0 million or 61.7% for the same reasons.

Current quarter PBT increased by RM2.7 million or 186.0% mainly contributed from elevator maintenance contract and repair sales that have recorded higher gross profit margin and higher execution of Transmission Sub-station.

Cumulative PBT increased by RM5.6 million or 119.6% for the same reason.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)

B2. Review of Current Financial Quarter Performance against Preceding Quarter

	Individual Financial Quarter Ended		% change
	30.06.2018 RM'000	31.03.2018 RM'000	
Revenue			
Marketing and Distribution	21,291	21,683	(1.8%)
Manufacturing	21,536	26,423	(18.5%)
Services	25,014	13,341	87.5%
Total	67,841	61,447	10.4%
Profit before Tax (“PBT”) / (Loss) before Tax (“LBT”)			
Marketing and Distribution	1,208	2,083	(42.0%)
Manufacturing	(351)	188	(286.7%)
Services	4,195	2,618	60.2%
Total	5,052	4,889	3.3%

The total revenue of the Group for the current quarter increased by RM6.4 million or 10.4% against preceding quarter mainly due to higher revenue from Services segment but mitigated by lower revenue from Manufacturing and Marketing and Distribution segments.

The total PBT of the Group for the current quarter increased by RM0.2 million or 3.3% corresponding to the higher revenue, lower provision for doubtful debts and lower foreign exchange loss. However, this was partially offset with higher inventories written down to net realisable value.

(i) Marketing and Distribution Segment

Current quarter revenue decreased by RM0.4 million or 1.8% due to lower demand for E&E components.

Current quarter PBT decreased by RM0.9 million or 42.0% due to lower sales of better margin products from different product mix.

(ii) Manufacturing Segment

Current quarter revenue decreased by RM4.9 million or 18.5% mainly due to lower execution of elevator projects.

Current quarter LBT of RM0.4 million compared against preceding quarter PBT of RM0.2 million mainly due to lower revenue and higher administrative expenses.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)
B2. Review of Current Financial Quarter Performance against Preceding Quarter (Cont'd)

 (iii) Services Segment

Current quarter revenue increased by RM11.7 million or 87.5% mainly contributed by higher execution of Transmission Sub-Station projects.

Current quarter PBT increased by RM1.6 million or 60.2% in tandem with higher revenue and reversal for doubtful debts.

B3. Commentary on Prospects

The general business environment remains uncertain. Nevertheless, with the current order book and ongoing projects in hand and barring any unforeseen circumstances, the Board of Directors (“the Board”) of the Company expects the Group to achieve satisfactory results for this reporting financial year.

B4. Profit Forecast

Profit forecast was not provided.

B5. Tax Expense

	Individual Financial Quarter Ended 30.06.2018 RM'000	Cumulative Financial Quarter Ended 30.06.2018 RM'000
Current tax expense		
- current period	1,481	5,479
- prior period	(112)	(160)
	1,369	5,319
Deferred tax expense		
Origination and reversal of temporary differences		
- current period	47	(876)
- prior period	(395)	(447)
	(348)	(1,323)
Total current tax recognised in profit or loss	1,021	3,996
Share of tax of equity-accounted joint venture	(3)	75
Total tax expense	1,018	4,071

**B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B) (continued)**

B6. Status of Corporate Proposals Announced

(a) Status of Corporate Proposal Announced but Not Completed

There were no corporate proposals announced but not completed as at the date of this report.

(b) Utilisation of Proceeds Raised From Corporate Exercise

The proceeds raised from the Company's Initial Public Offering was RM17.5 million and the status of utilisation of proceeds as at 30 June 2018 is as follows:-

Description of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Re-allocation RM'000	Balance RM'000	Intended Time Frame for Utilisation upon listing on 9 April 2012
(i) Expansion and improvements of manufacturing and business facilities	8,851	(4,968)	-	3,883*	Within 72 months
(ii) Expansion in R&D	3,750	(3,750)	-	-	Within 72 months
(iii) Working capital	2,079	(2,127)	48	-	Within 12 months
(iv) Estimated listing expenses	2,800	(2,752)	(48)	-	Immediate
Total Public Issue Proceeds	17,480	(13,597)	-	3,883	

Note:

* On 7 March 2014 and 8 March 2016, the Board had resolved to approve the extension of time for the utilisation of the remaining IPO proceeds for the expansion and improvements of manufacturing and business facilities and the expansion in research & development until 9 April 2016 and 9 April 2018 respectively. However, the said proceeds was not fully utilised for the intended purpose within the extended time frame.

On 3 April 2018, the Board had resolved to further extend the time frame for the utilisation of the remaining IPO proceeds for another 24 months until 9 April 2020.

The main reason for the revision of time is due to the delayed delivery of the vacant possession of the land purchased for the purpose of the expansion of the elevators manufacturing facility of the Group.

**B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B) (continued)**

B7. Group Borrowings

	As at 30.06.2018		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Finance lease liabilities	533	293	826
Term Loan	6,077	993	7,070
Unsecured			
Banker's acceptance	-	7,869	7,869
	6,610	9,155	15,765

	As at 30.06.2017		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Finance lease liabilities	739	362	1,101
Term Loan	6,873	970	7,843
Unsecured			
Banker's acceptance	-	15,762	15,762
Bank overdrafts	-	994	994
	7,612	18,088	25,700

B8. Change in Material Litigations

There were no outstanding material litigations as at the date of this report.

**B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B) (continued)**

B9. Proposed Dividends

Details of the dividends approved and declared by the Board are as follows:

	30.06.2018
Interim and special dividends	
First interim dividend per share	2.0 sen
Special dividend per share	2.0 sen
<hr/> Total dividend per share	<hr/> 4.0 sen
For the financial year ending	30 September 2018
Approved and declared on	20 August 2018
Entitlement to dividends based on record of depositors as at	13 September 2018
Date payable	28 September 2018

B10. Earnings per Ordinary Share

(a) Basic earnings per ordinary share ("EPS")

The calculation of EPS was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares in issue during the financial period calculated as follows:

	Individual Financial Quarter Ended		Year-to-date Ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Profit for the period attributable to owners (RM'000)	3,652	1,807	14,268	17,717
Weighted average number of ordinary shares in issue ('000)*	129,996	129,996	129,996	129,996
Basic EPS (sen)	<hr/> 2.81	<hr/> 1.39	<hr/> 10.98	<hr/> 13.63

Note:

* The weighted average number of ordinary shares outstanding during 30 June 2018 excluding treasury shares held by the Company.

(b) Diluted EPS

The Group did not issue any financial instruments, convertible securities and / or other contracts that may entitle its holders to new ordinary shares and therefore dilute its basic earnings per share.

**B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B) (continued)**

B11. Financial Instruments

Outstanding derivatives as at 30 June 2018 is as follow:

Type of derivatives	Contract / Notional Value RM'000	Fair Value Through Profit or Loss RM'000
Less than 1 year:-		
Forward exchange contract	90,304	(1,326)

There are no changes to policies related to financial instruments since last financial year.

B12. Notes to Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Individual Financial Quarter Ended		Year-to-date Ended	
	30.06.2018 RM'000	30.06.2017 RM'000	30.06.2018 RM'000	30.06.2017 RM'000
Profit for the period is arrived after charging / (crediting):				
(Reversal of) / Allowance for diminution in value of other investment	(8)	2	(23)	(1)
Depreciation and amortisation	498	547	1,516	1,681
(Reversal of) / Provision for allowance for doubtful debts	(135)	78	74	1,231
Inventories written down to net realisable value	943	115	1,892	605
Gain on disposal of property, plant and equipment	-	(26)	(1)	(26)
Foreign exchange loss / (gain), net	383	(459)	960	(693)
Allowance for / (Reversal of) foreseeable loss	25	(100)	(55)	52
Fair value (gain) / loss on forward exchange contracts	(259)	1,102	268	(512)
(Reversal of) / Provision for warranties	(122)	5	(156)	(17)

B13. Authority for Issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Directors dated 20 August 2018.