EITA RESOURCES BERHAD
(Company No.: 199601026396 (398748-T))

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2020

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			
	30.09.2020	30.09.2019	Changes		30.09.2020	30.09.2019	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	78,556	105,227	(26,671)	(25.3%)	284,220	305,386	(21,166)	(6.9%)
Results from operating activities	6,866	8,275	(1,409)	(17.0%)	27,177	29,572	(2,395)	(8.1%)
Finance costs	(737)	(496)	(241)	(48.6%)	(2,354)	(1,620)	(734)	(45.3%)
Finance income	82	109	(27)	(24.8%)	361	324	37	11.4%
Net finance costs	(655)	(387)	(268)	(69.3%)	(1,993)	(1,296)	(697)	(53.8%)
Share of profit / (loss) of equity-accounted joint venture, net of tax	180	(54)	234	433.3%	45	645	(600)	(93.0%)
Profit before tax	6,391	7,834	(1,443)	(18.4%)	25,229	28,921	(3,692)	(12.8%)
Tax expense	(2,057)	(1,197)	(860)	(71.8%)	(6,908)	(7,040)	132	1.9%
Profit for the period	4,334	6,637	(2,303)	(34.7%)	18,321	21,881	(3,560)	(16.3%)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2020

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

(The figures have not been audited)

	Individual Financial Quarter Ended				Cumulative Financial Quarter Ended			
	30.09.2020	30.09.2019	Changes		30.09.2020	30.09.2019	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Other comprehensive income, net of tax								
Foreign currency translation differences for foreign operations	(114)	(82)	(32)	(39.0%)	10	18	(8)	(44.4%)
Cash flow hedge	862	(1,510)	2,372	157.1%	2,305	(1,493)	3,798	254.4%
Total other comprehensive income for the period	748	(1,592)	2,340	147.0%	2,315	(1,475)	3,790	256.9%
Total comprehensive income for the period	5,082	5,045	37	0.7%	20,636	20,406	230	1.1%
Profit attributable to:								
Owners of the Company	4,232	5,846	(1,614)	(27.6%)	17,294	20,828	(3,534)	(17.0%)
Non-controlling interests	102	791	(689)	(87.1%)	1,027	1,053	(26)	(2.5%)
	4,334	6,637	(2,303)	(34.7%)	18,321	21,881	(3,560)	(16.3%)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2020

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

(The figures have not been audited)

	Individual Financial Quarter Ended				Cumulative Financial Quarter Ended			
	30.09.2020	30.09.2019	Changes		30.09.2020	30.09.2019	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Total comprehensive income attributable to:								
Owners of the Company	4,991	4,262	729	17.1%	19,608	19,351	257	1.3%
Non-controlling interests	91	783	(692)	(88.4%)	1,028	1,055	(27)	(2.6%)
	5,082	5,045	37	0.7%	20,636	20,406	230	1.1%
Earnings per share:								
- Basic (sen)	3.26	4.50	(1.24)	(27.6%)	13.30	16.02	(2.72)	(17.0%)
- Diluted (sen)	N/A	N/A			N/A	N/A		

(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 2019 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2020

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Financial Quarter Ended			
	30.09.2020	30.06.2020	Changes	
	RM'000	RM'000	RM'000	%
Revenue	78,556	60,065	18,491	30.8%
Results from operating activities	6,866	3,902	2,964	76.0%
Finance costs	(737)	(559)	(178)	(31.8%)
Finance income	82	98	(16)	(16.3%)
Net finance costs	(655)	(461)	(194)	(42.1%)
Share of profit of equity-accounted joint venture, net of tax	180	18	162	900.0%
Profit before tax	6,391	3,459	2,932	84.8%
Tax expense	(2,057)	(1,252)	(805)	(64.3%)
Profit for the period	4,334	2,207	2,127	96.4%
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	(114)	138	(252)	(182.6%)
Cash flow hedge	862	(187)	1,049	561.0%
Total other comprehensive income for the period	748	(49)	797	1626.5%
Total comprehensive income for the period	5,082	2,158	2,924	135.5%
Profit attributable to:				
Owners of the Company	4,232	1,812	2,420	133.6%
Non-controlling interests	102	395	(293)	(74.2%)
	4,334	2,207	2,127	96.4%

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2020

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

(The figures have not been audited)

	Individual Financial Quarter Ended			
	30.09.2020	30.06.2020	Changes	
	RM'000	RM'000	RM'000	%
Total comprehensive income attributable to:				
Owners of the Company	4,991	1,750	3,241	185.2%
Non-controlling interests	91	408	(317)	(77.7%)
	5,082	2,158	2,924	135.5%
Earnings per share:				
- Basic (sen)	3.26	1.39	1.87	134.5%
- Diluted (sen)	N/A	N/A		

(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 2019 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Note	30.09.2020 RM'000 (Unaudited)	30.09.2019 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		42,098	39,733
Right-of-use assets		9,231	-
Intangible assets		1,232	1,705
Investment properties		1,946	5,265
Investment in joint venture		1,693	1,648
Other investments		10	10
Deferred tax assets		4,502	5,874
Total non-current assets		60,712	54,235
Current assets			
Inventories		38,925	42,048
Contract assets		61,710	58,858
Trade and other receivables		65,129	70,660
Current tax assets		2,327	2,352
Deposits and prepayments		2,781	6,925
Derivative financial assets		3	-
Cash and cash equivalents		71,753	68,727
Total current assets		242,628	249,570
TOTAL ASSETS		303,340	303,805
EQUITY AND LIABILITIES			
Equity			
Share capital		69,302	69,302
Reserves		115,872	104,165
Total equity attributable to owners of the Company		185,174	173,467
Non-controlling interests		3,776	2,748
TOTAL EQUITY		188,950	176,215

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

	Note	30.09.2020 RM'000 (Unaudited)	30.09.2019 RM'000 (Audited)
EQUITY AND LIABILITIES (continued)			
Non-current liabilities			
Loans and borrowings	B7	15,581	15,421
Lease liabilities		3,295	-
Deferred tax liabilities		525	363
Total non-current liabilities		19,401	15,784
Current liabilities			
Loans and borrowings	B7	14,947	14,898
Lease liabilities		2,148	-
Deferred Income		2,567	-
Contract liabilities		3,423	16,223
Provision for warranties		326	483
Current tax payable		601	1,031
Trade and other payables		70,499	77,674
Derivative financial liabilities		478	1,497
Total current liabilities		94,989	111,806
TOTAL LIABILITIES		114,390	127,590
TOTAL EQUITY AND LIABILITIES		303,340	303,805
Net assets per share attributable to equity holders of the Company (RM)		1.42	1.33

(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 2019 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2020

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	< ----- Attributable to owners of the Company ------ >							
	< ---------- Non-Distributable ---------- >				Distributable			
Period Ended 30 September 2020	**Share Capital RM'000**	**Treasury Shares RM'000**	**Translation Reserve RM'000**	**Hedging Reserve RM'000**	**Retained Profits RM'000**	**Total RM'000**	**Non-Controlling Interests RM'000**	**Total Equity RM'000**
At 1 October 2019	69,302	(5)	939	(2,900)	106,131	**173,467**	2,748	**176,215**
Foreign currency translation differences for foreign operation	-	-	9	-	-	**9**	1	**10**
Cash flow hedge	-	-	-	2,305	-	**2,305**	-	**2,305**
Profit for the year	-	-	-	-	17,294	**17,294**	1,027	**18,321**
Total comprehensive income for the year	-	-	9	2,305	17,294	**19,608**	1,028	**20,636**
Dividend to owners of the Company	-	-	-	-	(7,901)	**(7,901)**	-	**(7,901)**
At 30 September 2020	69,302	(5)	948	(595)	115,524	**185,174**	3,776	**188,950**

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2020

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

(The figures have not been audited)

	< ------ Attributable to owners of the Company ----- >							
	< ---------- Non-Distributable ---------- >				Distributable			
Period Ended 30 September 2019	**Share Capital RM'000**	**Treasury Shares RM'000**	**Translation Reserve RM'000**	**Hedging Reserve RM'000**	**Retained Profits RM'000**	**Total RM'000**	**Non-Controlling Interests RM'000**	**Total Equity RM'000**
At 1 October 2018, *restated*	69,302	(5)	923	(1,407)	93,103	**161,916**	1,693	**163,609**
Foreign currency translation differences for foreign operation	-	-	16	-	-	**16**	2	**18**
Cash flow hedge	-	-	-	(1,493)	-	**(1,493)**	-	**(1,493)**
Profit for the year	-	-	-	-	20,828	**20,828**	1,053	**21,881**
Total comprehensive income for the year	-	-	16	(1,493)	20,828	**19,351**	1,055	**20,406**
Dividend to owners of the Company	-	-	-	-	(7,800)	**(7,800)**	-	**(7,800)**
At 30 September 2019	69,302	(5)	939	(2,900)	106,131	**173,467**	2,748	**176,215**

(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 2019 and the accompanying explanatory notes attached to the interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	12 Months Period Ended	
	30.09.2020 RM'000	30.09.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	25,229	28,921
Adjustments for:		
Amortisation of investment properties	3	26
Amortisation of development costs	47	106
(Reversal of) / allowance for foreseeable losses	(2,090)	660
Provision / (Reversal of) for warranties-net	17	(797)
Depreciation of property, plant and equipment	2,359	2,071
Depreciation of right-of-use assets	2,088	-
Loss / (gain) on disposal of property, plant and equipment	87	(55)
Gain on disposal of investment properties	-	(76)
Fair value loss / (gain) on forward exchange contracts	108	(678)
Property, plant and equipment written off	1	6
Finance costs	2,354	1,620
Finance income	(361)	(324)
Share of profit of equity-accounted joint venture, net of tax	(45)	(645)
Unrealised foreign exchange loss / (gain)	235	(60)
Operating profit before changes in working capital	30,032	30,775
Changes in working capital:		
Inventories	2,935	(1,176)
Trade and other receivables, deposits and prepayments	5,562	(43,282)
Trade and other payables and deferred income	(12,042)	43,410
Cash generated from operations	26,487	29,727
Income taxes paid	(6,166)	(7,584)
Interest paid	(255)	(233)
Interest received	241	324
Net cash generated from operating activities	**20,307**	**22,234**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	11	14
Proceeds from disposal of investment property	-	490
Purchase of property, plant and equipment	(6,267)	(16,362)
Acquisition of intangible assets	(370)	(122)
Net cash used in investing activities	**(6,626)**	**(15,980)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(The figures have not been audited)

	12 Months Period Ended	
	30.09.2020	30.09.2019
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the company	(7,901)	(7,800)
Proceeds from loans and borrowings, net	1,522	16,373
Repayment of lease liabilities, net	(2,258)	121
Interest paid	(2,098)	(1,387)
Net cash generated (used in) / from financing activities	**(10,735)**	**7,307**
Net increase in cash and cash equivalents	**2,946**	**13,561**
Foreign exchange differences on cash held	**(19)**	**32**
Cash and cash equivalents at beginning of the financial year	**68,727**	**55,134**
Cash and cash equivalents at end of the financial year	**71,654**	**68,727**
Cash and cash equivalents included in the statements of cash flows comprise:-		
Deposits	5,000	3,000
Cash and bank balances	50,192	54,778
Liquid investments	16,561	10,949
Bank overdrafts	(99)	-
	71,654	**68,727**

(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 2019 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 financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia and should be read in conjunction with the audited financial statements for the financial year ended 30 September 2019.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") and have been adopted by the Group:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

The initial application of the accounting standards, amendments or interpretations is not expected to have any material financial impact to the current period and prior period financial statements of the Group except as mentioned below:

MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The right-of-use asset is depreciated in accordance with the principles in MFRS 116 *Property, Plant and Equipment* and the lease liability is accreted over time with interest expenses recognised in the income statement.

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

On the date of initial application, the Group applied the modified retrospective approach and did not restate comparative amounts for the period prior to first adoption. The impact of adopting MFRS 16 to opening balances are as follows:

Balance sheet
Impact of adopting MFRS 16 at 1 October 2019:

	RM'000
Right-of-use assets	11,205
Lease liabilities	(7,521)
Property, plant and equipment	(4,990)
Borrowings	1,346
Prepayment	(40)

The finance lease liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as at 1 October 2019. Right-of-use assets were measured at an amount equal to the lease liabilities, adjusted by the amount of the prepaid or accrued lease payments. Accordingly, there is no impact to the accumulated gains of the Group as at 1 October 2019. On the income statement, expenses which previously included operating lease rental within EBITDA were replaced by interest expenses on lease liabilities and depreciation of the right-of-use assets. On the statement of cash flows, operating lease rental outflows previously recorded within "net cash flows from operating activities" were reclassified as "net cash flows used in financing activities" for repayment of principal and interest of lease liabilities.

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.

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.

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

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 2019 / 30 September 2020	4,000	5,050

A7. Dividends Paid and Distributed

During the quarter under review, The Board of Directors has declared a first interim dividends of 3 sen per ordinary share, amounting to RM3.9 million in respect of the financial year ended 30 September 2020. The dividend was paid to the shareholders of the Company on 24 September 2020.

A8. Segmental Information

Segmental information in respect of the Group's business activities for the financial year to date ended 30 September 2020.

	Revenue RM'000	Profit before Tax RM'000
Marketing and Distribution	72,219	4,864
Manufacturing	104,991	5,234
Services	34,671	11,633
High Voltage System	72,339	3,498
Reportable segments	284,220	25,229

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	7,149

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

A12. Changes in Contingent Liabilities

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

	RM'000
At 1 October 2019	373,721
Increased in borrowing facilities	8,000
At 30 September 2020	381,721

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

	RM'000
At 1 October 2019	36,778
Addition	1,949
At 30 September 2020	38,727

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 Foods Sdn Bhd ("QLF")	A company in which a director and substantial shareholder is also the Non-Independent Non-Executive Director of EITA.
QL Figo (Johor) Sdn Bhd ("QLFJ")	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.

	Cumulative Financial Quarter Ended	
	30.09.2020 RM'000	**30.09.2019 RM'000**
CTL Automation Sdn Bhd ("CTL")		
- Repairs and purchase of elevators parts	(695)	(597)
- Supply, install, testing and commissioning of electrical work and equipment	(4)	-
- Sales of electrical equipment	98	56
QL Foods Sdn Bhd ("QLF")		
- Sales of electrical equipment	360	250
QL Figo (Johor) Sdn Bhd ("QLFJ")		
- Sales of electrical equipment	4,585	-
Sigriner Automation (MFG) Sdn Bhd ("Sigriner")		
- Sales of elevator controllers and components, provision of management services and rental	161	167
- Sales of elevator parts	11	-
- Purchase of elevator controllers	(4,233)	(5,334)

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			Cumulative Financial Quarter Ended		
	30.09.2020 RM'000	30.09.2019 RM'000	% change	30.09.2020 RM'000	30.09.2019 RM'000	% change
Revenue						
Marketing and Distribution	18,655	21,953	(15.0%)	72,219	79,117	(8.7%)
Manufacturing	30,962	29,640	4.5%	104,991	111,695	(6.0%)
Services	9,632	8,344	15.4%	34,671	37,715	(8.1%)
High Voltage System	19,307	45,290	(57.4%)	72,339	76,859	(5.9%)
Total	78,556	105,227	(25.3%)	284,220	305,386	(6.9%)
Profit before Tax ("PBT")						
Marketing and Distribution	1,417	1,567	(9.6%)	4,864	5,297	(8.2%)
Manufacturing	1,947	826	135.7%	5,234	5,883	(11.0%)
Services	2,666	3,269	(18.4%)	11,633	14,487	(19.7%)
High Voltage System	361	2,172	(83.4%)	3,498	3,254	7.5%
Total	6,391	7,834	(18.4%)	25,229	28,921	(12.8%)

The total revenue of the Group for the current quarter decreased by RM26.7 million or 25.3% as compared to the preceding year corresponding quarter mainly due to lower revenue from Marketing and Distribution and High Voltage System segments followed by the Conditional Movement Control Order ("CMCO") imposed by Government caused by COVID-19 pandemic.

Cumulatively, the Group revenue decreased by RM21.2 million or 6.9% as compared to the preceding corresponding period mainly due to lower revenue from all segments.

The total PBT of the Group for the current quarter decreased by RM1.4 million or 18.4% in tandem with lower revenue, higher inventories written down to net realisable value and foreign exchange loss.

Cumulatively, the Group PBT decreased by RM3.7 million or 12.8% in tandem with lower revenue, higher inventories written down to net realisable value 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 RM3.3 million or 15.0% mainly due to lower demand for electrical and electronics ("E&E") components.

Cumulative revenue decreased by RM6.9 million or 8.7% for the same reason.

Current quarter PBT decreased by RM0.2 mil or 9.6% in tandem with lower revenue and higher inventories written down to net realisable value.

Cumulative PBT decreased by RM0.4 million or 8.2% for the same reason.

(ii) Manufacturing Segment

Current quarter revenue increased by RM1.3 million or 4.5% mainly due to higher execution of elevator projects.

Cumulative revenue decreased by RM6.7 million or 6.0% mainly due to lower revenue from Busduct. However, this was mitigated by higher execution of elevator projects.

Current quarter PBT increased by RM1.1 million or 135.7% in tandem with higher revenue, reversal of provision for allowance for doubtful debts and lower administrative expenses.

Cumulative PBT decreased by RM0.6 million or 11.0% in tandem with lower revenue, higher inventories written down to net realisable value and fair value loss on valuation on forward exchange contracts.

(iii) Service Segment

Current quarter revenue increased by RM1.3 million or 15.4% mainly contributed by higher project execution of electrical and security systems.

Cumulative revenue however decreased by RM3.0 million or 8.1% mainly due to lower revenue from elevator repair sales. However, this was mitigated by higher project execution of electrical and security systems.

Current quarter PBT decreased by RM0.6 million or 18.4% mainly due to lower GP.

Cumulative PBT decreased by RM2.9 million or 19.7% in tandem with lower revenue and lower GP.

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)

(iv) High Voltage System Segment

Current quarter revenue decreased by RM26.0 million or 57.4% due to lower execution of Transmission Sub-station projects.

Cumulative revenue decreased by RM4.5 million or 5.9% for the same reason.

Current quarter PBT decreased by RM1.8 million or 83.4% in tandem with lower revenue.

Cumulative PBT however increased by RM0.2 million or 7.5% mainly due to reversal of provision for liquidated and ascertained damages.

B2. Review of Current Financial Quarter Performance against Preceding Quarter

	Individual Financial Quarter Ended		%
	30.09.2020 RM'000	30.06.2020 RM'000	change
Revenue			
Marketing and Distribution	18,655	13,860	34.6%
Manufacturing	30,962	19,692	57.2%
Services	9,632	7,953	21.1%
High Voltage System	19,307	18,560	4.0%
Total	78,556	60,065	30.8%
Profit before Tax ("PBT") / (Loss) before Tax ("LBT")			
Marketing and Distribution	1,417	(130)	1190.0%
Manufacturing	1,947	460	323.3%
Services	2,666	1,623	64.3%
High Voltage System	361	1,506	(76.0%)
Total	6,391	3,459	84.8%

The total revenue of the Group for the current quarter increased by RM18.5 million or 30.8% against preceding quarter mainly contributed by higher revenue from all segments.

The total PBT of the Group for the current quarter increased by RM2.9 million or 84.8% against preceding quarter in tandem with higher revenue, reversal of provision for allowance for doubtful debts and reversal of foreseeable loss.

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

B2. Review of Current Financial Quarter Performance against Preceding Quarter (Cont'd)

(i) Marketing and Distribution Segment

Current quarter revenue increased by RM4.8 million or 34.6% due to higher demand for E&E components.

Current quarter PBT increased by RM1.5 million or 1190.0% in tandem with higher revenue and lower administrative expenses.

(ii) Manufacturing Segment

Current quarter revenue increased by RM11.3 million or 57.2% mainly due to higher execution of elevator projects and higher revenue from Busducts.

Current quarter PBT increased by RM1.5 million or 323.3% in tandem with higher revenue, reversal of provision for allowance for doubtful debts. However, this was mitigated by foreign exchange loss.

(iii) Services Segment

Current quarter revenue increased by RM1.7 million or 21.1% mainly due to higher repair sales and higher project execution of electrical and security systems.

Current quarter PBT increased by RM1.0 million or 64.3% in tandem with higher revenue and reversal of provision for allowance for doubtful debts.

(iv) High Voltage System Segment

Current quarter revenue increased by RM0.7 million or 4.0% mainly due to higher execution of Transmission Sub-station projects.

Current quarter PBT however decreased by RM1.1 million or 76.0% mainly due to fair value loss on valuation on forward exchange contracts.

B3. Commentary on Prospects

With the COVID-19 pandemic expected to continue to impact the general business environment, the Group's prospects in 2021 remain challenging. However, the Group will continue to be vigilant to the changes in the external environment. With the current order book and ongoing projects in hand, barring any unforeseen circumstances, the Board of Directors expects the Group to achieve satisfactory results for the financial quarter ending 31 December 2020.

B4. Profit Forecast

No profit forecast was published during the period under review.

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

B5. Tax Expense

	Individual Financial Quarter Ended 30.09.2020 RM'000	Cumulative Financial Quarter Ended 30.09.2020 RM'000
Current tax expense		
- current period	735	4,786
- prior period	712	928
	1,447	5,714
Deferred tax expense		
Origination and reversal of temporary differences		
- current period	633	1,240
- prior period	(23)	(46)
	610	1,194
Total current tax recognised in profit or loss	2,057	6,908
Share of tax of equity-accounted joint venture	112	(4)
Total tax expense	2,169	6,904

B6. Status of Corporate Proposals Announced

The Company had on 18 November 2020 announced that it proposes to undertake the following:

(i) proposed bonus issue of shares up to 130,000,000 new ordinary shares in EITA ("EITA Share(s)") ("Bonus Share(s)") on the basis of 1 Bonus Share for every 1 existing EITA Share held on an entitlement date to be determined and announced later ("Entitlement Date") ("Proposed Bonus Issue of Shares"); and

(ii) proposed bonus issue of up to 86,666,666 free warrants in EITA ("Warrant(s)") on the basis of 1 Warrant for every 3 EITA Shares held on the Entitlement Date after the Proposed Bonus Issue of Shares ("Proposed Bonus Issue of Warrants").

(collectively referred to as "the Proposals")

For avoidance of doubt, the number of Warrants to be received by each shareholder of EITA on the Entitlement Date shall be based on the total number of EITA Shares held by each shareholder of EITA after the Proposed Bonus Issue of Shares.

The Proposals are subject to the approval of Bursa Malaysia Securities Berhad and the shareholders.

Save as disclosed above, there are no other corporate proposals announced but not completed at the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

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

B7. Group Borrowings

	As at 30.09.2020		
	Long Term RM'000	**Short Term RM'000**	**Total Borrowings RM'000**
Secured			
Term Loan	15,581	1,138	16,719
Unsecured			
Banker's acceptance	-	13,710	13,710
Bank overdrafts	-	99	99
	15,581	14,947	30,528

	As at 30.09.2019		
	Long Term RM'000	**Short Term RM'000**	**Total Borrowings RM'000**
Secured			
Finance lease liabilities	923	424	1,347
Term Loan	14,498	1,160	15,658
Unsecured			
Banker's acceptance	-	13,314	13,314
	15,421	14,898	30,319

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 Dividend

Details of the dividend under single-tier tax system approved and declared by the Board are as follows:

	30.09.2020	30.09.2019
Interim dividend		
Second interim dividend per share	3.0 sen	-
Total dividend per share	3.0 sen	-
For the financial year ending	30 September 2020	
Approved and declared on	20 November 2020	
Entitlement to dividend based on record of depositors as at	15 December 2020	
Date payable	8 January 2021	

The total dividend for the current financial year is 6.0 sen per share.

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	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
Profit for the period attributable to owners (RM'000)	4,232	5,846	17,294	20,828
Weighted average number of ordinary shares in issue ('000)*	129,996	129,996	129,996	129,996
Basic EPS (sen)	3.26	4.50	13.30	16.02

Note:
* The weighted average number of ordinary shares outstanding during 30 September 2020 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 September 2020 is as follow:

	Contract / Notional Value RM'000	Fair Value RM'000
Type of derivatives		
Less than 1 year:-		
Forward exchange contract	97,838	(475)

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	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Profit for the period is arrived after charging / (crediting):				
Interest expense on lease liability	134	-	218	-
Depreciation and amortisation	779	559	2,409	2,203
Depreciation for right-of-use assets	473	-	2,088	-
(Reversal of) / Provision for allowance for doubtful debts	(2,027)	759	(1,473)	2,179
Inventories written down to net realisable value	(336)	(702)	1,928	(701)
Loss / (gain) on disposal of property, plant and equipment	1	(48)	87	(55)
Gain on disposal of investment properties	-	(76)	-	(76)
Foreign exchange loss / (gain), net	940	(256)	720	(123)
(Reversal of) / Allowance for foreseeable loss	(1,007)	954	(2,090)	660
Fair value loss / (gain) on forward exchange contracts	697	217	108	(678)
(Reversal of) / Provision for warranties-net	(11)	(62)	17	(797)

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 November 2020.