



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

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2021

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			
	31.03.2021 RM'000	31.03.2020 RM'000	Changes RM'000 %		31.03.2021 RM'000	31.03.2020 RM'000	Changes RM'000 %	
Revenue	<u>80,367</u>	<u>75,577</u>	4,790	6.3%	<u>146,517</u>	<u>145,599</u>	918	0.6%
Results from operating activities	5,561	7,688	(2,127)	(27.7%)	14,274	16,409	(2,135)	(13.0%)
Finance costs	(526)	(511)	15	2.9%	(1,050)	(1,058)	(8)	(0.8%)
Finance income	17	108	(91)	(84.3%)	63	181	(118)	(65.2%)
Net finance costs	(509)	(403)	106	26.3%	(987)	(877)	110	12.5%
Share of (loss) / profit of equity-accounted joint venture, net of tax	<u>(94)</u>	<u>(47)</u>	(47)	(100.0%)	<u>53</u>	<u>(153)</u>	206	134.6%
Profit before tax	<u>4,958</u>	<u>7,238</u>	(2,280)	(31.5%)	<u>13,340</u>	<u>15,379</u>	(2,039)	(13.3%)
Tax expense	<u>(1,404)</u>	<u>(1,830)</u>	(426)	(23.3%)	<u>(3,594)</u>	<u>(3,598)</u>	(4)	(0.1%)
Profit for the period	<u>3,554</u>	<u>5,408</u>	(1,854)	(34.3%)	<u>9,746</u>	<u>11,781</u>	(2,035)	(17.3%)



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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			
	31.03.2021	31.03.2020	Changes		31.03.2021	31.03.2020	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	155	(51)	206	403.9%	176	(16)	192	1200.0%
Cash flow hedge	814	1,402	(588)	(41.9%)	1,270	1,630	(360)	(22.1%)
Total other comprehensive income for the period	969	1,351	(382)	(28.3%)	1,446	1,614	(168)	(10.4%)
Total comprehensive income for the period	<u>4,523</u>	<u>6,759</u>	<u>(2,236)</u>	<u>(33.1%)</u>	<u>11,192</u>	<u>13,395</u>	<u>(2,203)</u>	<u>(16.4%)</u>
Profit attributable to:								
Owners of the Company	3,997	5,177	(1,180)	(22.8%)	10,027	11,251	(1,224)	(10.9%)
Non-controlling interests	(443)	231	(674)	(291.8%)	(281)	530	(811)	(153.0%)
	<u>3,554</u>	<u>5,408</u>	<u>(1,854)</u>	<u>(34.3%)</u>	<u>9,746</u>	<u>11,781</u>	<u>(2,035)</u>	<u>(17.3%)</u>

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2021
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			
	31.03.2021	31.03.2020	Changes		31.03.2021	31.03.2020	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Total comprehensive income attributable to:								
Owners of the Company	4,951	6,533	(1,582)	(24.2%)	11,456	12,867	(1,411)	(11.0%)
Non-controlling interests	(428)	226	(654)	(289.4%)	(264)	528	(792)	(150.0%)
	<u>4,523</u>	<u>6,759</u>	<u>(2,236)</u>	<u>(33.1%)</u>	<u>11,192</u>	<u>13,395</u>	<u>(2,203)</u>	<u>(16.4%)</u>
Earnings per share:								
- Basic (sen)	<u>1.54</u>	<u>1.99*</u>	<u>(0.45)</u>	<u>(22.6%)</u>	<u>3.86</u>	<u>4.33*</u>	<u>(0.47)</u>	<u>(10.9%)</u>
- Diluted (sen)	<u>1.41</u>	<u>1.77*</u>	<u>(0.36)</u>	<u>(20.3%)</u>	<u>3.54</u>	<u>3.85*</u>	<u>(0.31)</u>	<u>(8.1%)</u>

*For comparative purpose, the EPS and DEPS for individual quarter and year to date ended 31 March 2020 had been adjusted to reflect the bonus issue of 1 new ordinary share for every 1 existing ordinary share held and bonus issue of 1 free warrant for every 3 ordinary shares held which was completed on 2 February 2021 and 10 February 2021 respectively.

(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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2021
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(The figures have not been audited)

	Individual Financial			
	Quarter Ended			
	31.03.2021	31.12.2020	Changes	
	RM'000	RM'000	RM'000	%
Revenue	80,367	66,150	14,217	21.5%
Results from operating activities	5,561	8,713	(3,152)	(36.2%)
Finance costs	(526)	(524)	(2)	0.4%
Finance income	17	46	(29)	(63.0%)
Net finance costs	(509)	(478)	(31)	(6.5%)
Share of loss of equity-accounted joint venture, net of tax	(94)	147	(241)	(163.9%)
Profit before tax	4,958	8,382	(3,424)	(40.8%)
Tax expense	(1,404)	(2,190)	786	35.9%
Profit for the period	3,554	6,192	(2,638)	(42.6%)
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	155	21	134	638.1%
Cash flow hedge	814	456	358	78.5%
Total other comprehensive income for the period	969	477	492	103.1%
Total comprehensive income for the period	4,523	6,669	(2,146)	(32.2%)
Profit attributable to:				
Owners of the Company	3,997	6,030	(2,033)	(33.7%)
Non-controlling interests	(443)	162	(605)	(373.5%)
	3,554	6,192	(2,638)	(42.6%)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2021
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)
(The figures have not been audited)

	Individual Financial		Changes	
	Quarter Ended			
	31.03.2021	31.12.2020	RM'000	%
	RM'000	RM'000	RM'000	
Total comprehensive income attributable to:				
Owners of the Company	4,951	6,505	(1,554)	(23.9%)
Non-controlling interests	(428)	164	(592)	(361.0%)
	<u>4,523</u>	<u>6,669</u>	(2,146)	(32.2%)
Earnings per share:				
- Basic (sen)	<u>1.54</u>	<u>2.32*</u>	(0.78)	(33.6%)
- Diluted (sen)	1.41	2.06*	(0.65)	(31.6%)

*For comparative purpose, the EPS and DEPS for individual quarter ended 31 December 2020 had been adjusted to reflect the bonus issue of 1 new ordinary share for every 1 existing ordinary share held and bonus issue of 1 free warrant for every 3 ordinary shares held which was completed on 2 February 2021 and 10 February 2021 respectively.

(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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2021
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(The figures have not been audited)

	Note	31.03.2021 RM'000 (Unaudited)	30.09.2020 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		41,455	36,448
Right-of-use assets		8,692	10,263
Intangible assets		1,009	1,232
Investment properties		7,771	6,564
Investment in joint venture		1,746	1,693
Other investments		10	10
Deferred tax assets		4,248	4,372
Total non-current assets		64,931	60,582
Current assets			
Inventories		41,842	38,925
Contract assets		79,790	58,756
Trade and other receivables		55,039	64,585
Current tax assets		2,881	2,324
Deposits and prepayments		8,579	6,117
Derivative financial assets		1,601	3
Cash and cash equivalents		49,495	71,753
Total current assets		239,227	242,463
TOTAL ASSETS		304,158	303,045
EQUITY AND LIABILITIES			
Equity			
Share capital		69,305	69,302
Reserves		123,538	115,973
Total equity attributable to owners of the Company		192,843	185,275
Non-controlling interests		3,411	3,675
TOTAL EQUITY		196,254	188,950

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2021
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
(The figures have not been audited)

	Note	31.03.2021 RM'000 (Unaudited)	30.09.2020 RM'000 (Audited)
EQUITY AND LIABILITIES (continued)			
Non-current liabilities			
Loans and borrowings	B7	16,392	15,518
Lease liabilities		2,567	3,245
Deferred tax liabilities		1,002	395
Total non-current liabilities		19,961	19,158
Current liabilities			
Loans and borrowings	B7	19,010	15,072
Lease liabilities		2,230	2,136
Contract liabilities		4,744	16,540
Provision for warranties		298	326
Current tax payable		1,370	605
Trade and other payables		60,288	59,780
Derivative financial liabilities		3	478
Total current liabilities		87,943	94,937
TOTAL LIABILITIES		<u>107,904</u>	<u>114,095</u>
TOTAL EQUITY AND LIABILITIES		<u>304,158</u>	<u>303,045</u>
Net assets per share attributable to equity holders of the Company (RM)		0.74	0.71*

*For comparative purpose, the net assets per share attributable to the equity holders of the Company as at 30 September 2020 has been adjusted to reflect the bonus issue of 1 new ordinary share for every 1 existing ordinary share held which was completed on 2 February 2021.

(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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2021
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(The figures have not been audited)

	< ----- Attributable to owners of the Company ----- >							
	< ----- Non-Distributable ----- >				Distributable			
<u>Period Ended 31 March 2021</u>	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 2020	69,302	(5)	948	(595)	115,625	185,275	3,675	188,950
Foreign currency translation differences for foreign operation	-	-	159	-	-	159	17	176
Cash flow hedge	-	-	-	1,270	-	1,270	-	1,270
Profit for the year	-	-	-	-	10,027	10,027	(281)	9,746
Total comprehensive income for the year	-	-	159	1,270	10,027	11,456	(264)	11,192
Dividend to owners of the Company	-	-	-	-	(3,900)	(3,900)	-	(3,900)
Own shares sold	-	5	-	-	4	9	-	9
Share options exercised	3	-	-	-	-	3	-	3
Total transactions with owners of the Company	3	5	-	-	(3,896)	(3,888)	-	(3,888)
At 31 March 2021	69,305	-	1,107	675	121,756	192,843	3,411	196,254

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2021
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
(The figures have not been audited)

	< ----- Attributable to owners of the Company ----- >							
	< ----- Non-Distributable ----- >					Distributable		
<u>Period Ended 31 March 2020</u>	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	-	-	(14)	-	-	(14)	(2)	(16)
Cash flow hedge	-	-	-	1,630	-	1,630	-	1,630
Profit for the year	-	-	-	-	11,251	11,251	530	11,781
Total comprehensive income for the year	-	-	(14)	1,630	11,251	12,867	528	13,395
Dividend to owners of the Company	-	-	-	-	(3,900)	(3,900)	-	(3,900)
At 31 March 2020	69,302	(5)	925	(1,270)	113,482	182,434	3,276	185,710

(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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2021
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(The figures have not been audited)

	6 Months Period Ended	
	31.03.2021	31.03.2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	13,340	15,379
Adjustments for:		
Amortisation of investment properties	103	38
Amortisation of development costs	23	27
Reversal of foreseeable losses	(387)	(632)
Reversal of warranties-net	1	(158)
Depreciation of property, plant and equipment	1,259	1,018
Depreciation of right-of-use assets	1,027	970
(Gain) / Loss on disposal of property, plant and equipment	(3)	86
Fair value gain on forward exchange contracts	(935)	(1,436)
Property, plant and equipment written off	22	2
Finance costs	1,050	1,058
Finance income	(63)	(181)
Share of (gain) / loss of equity-accounted joint venture, net of tax	(53)	153
Unrealised foreign exchange (gain) / loss	(108)	76
Operating profit before changes in working capital	15,276	16,400
Changes in working capital:		
Inventories	(2,896)	(3,065)
Trade and other receivables, deposits and prepayments	(13,158)	19,362
Trade and other payables	(11,161)	(36,569)
Cash used in operations	(11,939)	(3,872)
Income taxes paid	(2,651)	(4,105)
Interest paid	(174)	(109)
Interest received	63	119
Net cash used in operating activities	(14,701)	(7,967)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	10
Purchase of property, plant and equipment	(5,266)	(2,647)
Acquisition of intangible assets	(40)	(107)
Acquisition of investment properties	(1,310)	-
Net cash used in investing activities	(6,616)	(2,744)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2021
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
(The figures have not been audited)

	6 Months Period Ended	
	31.03.2021	31.03.2020
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the company	(3,900)	(3,900)
Proceeds from loans and borrowings, net	4,971	13,239
Repayment of lease liabilities, net	(1,134)	(1,132)
Proceeds from share options exercised	3	-
Proceeds from sale of treasury shares	9	-
Interest paid	(876)	(949)
Net cash (used in) / generated from financing activities	(927)	7,258
Net decrease in cash and cash equivalents	(22,244)	(3,453)
Foreign exchange differences on cash held	85	51
Cash and cash equivalents at beginning of the financial year	71,654	68,727
Cash and cash equivalents at end of the financial year	49,495	65,325
Cash and cash equivalents included in the statements of cash flows comprise:-		
Deposits	-	6,500
Cash and bank balances	43,373	50,100
Liquid investments	6,122	9,389
Bank overdrafts	-	(664)
	49,495	65,325

(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 2020 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 2020.

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 2020

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

The initial application of the abovementioned accounting standards and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group.

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

Details of treasury shares held:-

	No. of Shares	Amount RM
Balance as at 1 October 2020	4,000	5,050
Movement during the period	4,000	5,050
Balance as at 31 March 2021	-	-

On 4 January 2021, the Company disposed 4,000 treasury shares at RM2.18 per share totaling RM8,720.

A7. Dividends Paid and Distributed

On 20 November 2020, The Board of Directors has approved and declared a second interim dividend 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 8 January 2021.

A8. Segmental Information

Segmental information in respect of the Group’s business activities for the financial year to date ended 31 March 2021.

	Revenue RM’000	Profit before Tax RM’000
Marketing and Distribution	37,856	4,999
Manufacturing	58,279	3,045
Services	18,922	6,096
High Voltage System	31,460	(800)
Reportable segments	<u>146,517</u>	<u>13,340</u>

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.

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

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>4,867</u>

A12. Changes in Contingent Liabilities

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

	RM’000
At 1 October 2020	381,721
Increased in borrowing facilities	<u>117,700</u>
At 31 March 2021	<u>499,421</u>

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

	RM’000
At 1 October 2020	38,727
Addition	<u>(10,212)</u>
At 31 March 2021	<u>28,515</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 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	
	31.03.2021 RM’000	31.03.2020 RM’000
<u>CTL Automation Sdn Bhd (“CTL”)</u>		
- Repairs and purchase of elevators parts	(630)	(240)
- Supply, install, testing and commissioning of electrical work and equipment	-	(2)
- Sales of electrical equipment	47	55
<u>QL Figo (Johor) Sdn Bhd (“QLFJ”)</u>		
- Sales of electrical items	1,965	-
<u>QL Foods Sdn Bhd (“QLF”)</u>		
- Sales of electrical equipment	158	228
<u>Sigriner Automation (MFG) Sdn Bhd (“Sigriner”)</u>		
- Sales of elevator controllers and components, provision of management services and rental	118	84
- Sales of elevator parts	80	2
- Purchase of elevator controllers	(4,147)	(910)

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		%
	31.03.2021 RM'000	31.03.2020 RM'000	change	31.03.2021 RM'000	31.03.2020 RM'000	change
Revenue						
Marketing and Distribution	17,999	18,639	(3.4%)	37,856	39,704	(4.7%)
Manufacturing	34,362	26,303	30.6%	58,279	54,337	7.3%
Services	7,899	9,353	(15.5%)	18,922	17,086	10.7%
High Voltage System	20,107	21,282	(5.5%)	31,460	34,472	(8.7%)
Total	80,367	75,577	6.3%	146,517	145,599	0.6%
Profit before Tax ("PBT") / (Loss) before Tax ("LBT")						
Marketing and Distribution	2,036	1,233	65.1%	4,999	3,577	39.8%
Manufacturing	2,209	2,354	(6.2%)	3,045	2,827	7.7%
Services	2,032	2,982	(31.9%)	6,096	7,344	(17.0%)
High Voltage System	(1,319)	669	(297.2%)	(800)	1,631	(149.0%)
Total	4,958	7,238	(31.5%)	13,340	15,379	(13.3%)

The total revenue of the Group for the current quarter increased by RM4.8 million or 6.3% as compared to the preceding year corresponding quarter mainly due to higher revenue from Manufacturing segment.

Cumulatively, the Group revenue increased by RM0.9 million or 0.6% as compared to the preceding corresponding period mainly due to higher revenue from Manufacturing and Services segments.

The total PBT of the Group for the current quarter decreased by RM2.3 million or 31.5% mainly due to lower gross profit from High Voltage System segment and higher depreciation and amortisation.

Cumulatively, the Group PBT decreased by RM2.0 million or 13.3% mainly due to lower gross profit from High Voltage System segment and higher allowance for doubtful debts.

**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 RM0.6 million or 3.4% mainly due to lower demand for electrical and electronics (“E&E”) components.

Cumulative revenue decreased by RM1.8 million or 4.7% for the same reason.

Current quarter PBT increased by RM0.8 million or 65.1% mainly due to higher sales of better margin products from different product mix.

Cumulative PBT increased by RM1.4 million or 39.8% for the same reason.

(ii) Manufacturing Segment

Current quarter revenue increased by RM8.1 million or 30.6% mainly contributed by all three manufacturing businesses.

Cumulative revenue increased by RM3.9 million or 7.3% mainly due to higher revenue from Busduct.

Current quarter PBT decreased by RM0.1 million or 6.2% mainly due to higher allowance for doubtful debts.

Cumulative PBT increased by RM0.2 million or 7.7% in tandem with higher revenue.

(iii) Service Segment

Current quarter revenue decreased by RM1.4 million or 15.5% mainly due to lower repair sales. However, this was mitigated by higher maintenance contract revenue.

Cumulative revenue increased by RM1.8 million or 10.7% mainly contributed by higher maintenance contract revenue and repair sales.

Current quarter PBT decreased by RM0.9 million or 31.9% was in tandem with lower revenue and higher administrative expenses.

Cumulative PBT decreased by RM1.2 million or 17.0% despite higher revenue mainly due to lower gross profit and higher administrative expenses.

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 RM1.2 million or 5.5% mainly due to lower execution of Transmission Sub-Station projects.

Cumulative revenue decrease by RM3.0 million or 8.7% for the same reason.

Current quarter PBT decreased by RM2.0 million or 297.2% was in tandem with the lower revenue and lower gross profit.

Cumulative PBT decreased by RM2.4 million or 149.0% for the same reason.

B2. Review of Current Financial Quarter Performance against Preceding Quarter

	Individual Financial Quarter Ended		% change
	31.03.2021 RM'000	31.12.2020 RM'000	
Revenue			
Marketing and Distribution	17,999	19,857	(9.4%)
Manufacturing	34,362	23,917	43.7%
Services	7,899	11,023	(28.3%)
High Voltage System	20,107	11,353	77.1%
Total	<u>80,367</u>	<u>66,150</u>	21.5%
Profit before Tax ("PBT")			
Marketing and Distribution	2,036	2,963	(31.3%)
Manufacturing	2,209	836	164.2%
Services	2,032	4,064	(50.0%)
High Voltage System	(1,319)	519	(354.1%)
Total	<u>4,958</u>	<u>8,382</u>	(40.8%)

The total revenue of the Group for the current quarter increased by RM14.2 million or 21.5% against preceding quarter mainly due to higher revenue from Manufacturing and Higher Voltage System segments.

The total PBT of the Group for the current quarter decreased by RM3.4 million or 40.8% against preceding quarter mainly due to lower gross profit from High Voltage System segment.

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 decreased by RM1.8 million or 9.4% due to lower demand for E&E components.

Current quarter PBT decreased by RM0.9 million or 31.3% corresponding with lower revenue.

(ii) Manufacturing Segment

Current quarter revenue increased by RM10.4 million or 43.7% mainly due to higher execution of elevator projects and higher revenue from Busduct.

Current quarter PBT increased by RM1.4 million or 164.2% was in tandem with higher revenue.

(iii) Services Segment

Current quarter revenue decreased by RM3.1 million or 28.3% mainly due to lower repair sales.

Current quarter PBT decreased by RM2.0 million or 50.0% was in tandem with lower revenue and lower gross profit.

(iv) High Voltage System Segment

Current quarter revenue increased by RM8.7 million or 77.1% mainly due to higher execution of Transmission Sub-Station projects.

Current quarter PBT decreased by RM1.8 million or 354.1% despite higher revenue generated mainly due to lower gross profit.

B3. Commentary on Prospects

With the re-imposition of the nationwide Movement Control Order 3.0 (“MCO 3.0”) from 12 May 2021 arising from the COVID-19 pandemic, the Board of Directors (“the Board”) expects the uncertainty to continue to impact the general business environment and 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 expects the Group to achieve satisfactory results for the financial quarter ending 30 June 2021.

B4. Profit Forecast

Profit forecast was not provided.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)
B5. Tax Expense

	Individual Financial Quarter Ended 31.03.2021 RM'000	Cumulative Financial Quarter Ended 31.03.2021 RM'000
Current tax expense		
- current period	1,564	2,863
- prior period	-	-
	1,564	2,863
Deferred tax expense		
Origination and reversal of temporary differences		
- current period	(59)	652
- prior period	(101)	79
	(160)	731
Total current tax recognised in profit or loss	1,404	3,594
Share of tax of equity-accounted joint venture	2	28
Total tax expense	1,406	3,622

B6. Status of Corporate Proposals Announced

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

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

B7. Group Borrowings

	As at 31.03.2021		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Term Loan	16,392	1,156	17,548
Unsecured			
Banker's acceptance	-	17,854	17,854
Bank overdrafts	-	-	-
	16,392	19,010	35,402

	As at 31.03.2020		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Term Loan	15,601	1,073	16,674
Unsecured			
Banker's acceptance	-	25,539	25,539
Bank overdrafts	-	664	664
	15,601	27,276	42,877

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:

	30.03.2021	30.03.2020
Interim dividend		
First interim dividend per share	1.5 sen	-
Total dividend per share	1.5 sen	-
For the financial year ending	30 September 2021	
Approved and declared on	20 May 2021	
Entitlement to dividend based on record of		
depositors as at	21 June 2021	
Date payable	9 July 2021	

The total dividend for the current financial year is 1.5 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.

	Individual Financial Quarter Ended		Year-to-date Ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Profit for the period attributable to owners (RM'000)	3,997	5,177	10,027	11,251
Weighted average number of ordinary shares in issue ('000)	260,002	259,996	259,999	259,996
Basic EPS (sen)	1.54	1.99*	3.86	4.33*

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

B10. Earnings per Ordinary Share (continued)

(b) Diluted earnings per ordinary share ("DEPS")

The calculation of DEPS was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares that would have been in issue upon full exercise of the warrants, adjusted for the number of such shares that have been exercised.

	Individual Financial Quarter Ended		Year-to-date Ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Profit for the period attributable to owners (RM'000)	<u>3,997</u>	<u>5,177</u>	<u>10,027</u>	<u>11,251</u>
Weighted average number of ordinary shares in issue ('000)*(basic)	260,002	259,996	259,999	259,996
Effect of dilution of share options ('000)	<u>23,621</u>	<u>32,596</u>	<u>23,621</u>	<u>32,596</u>
Weighted average number of ordinary shares in issue ('000)*(diluted)	283,623	292,592	283,620	292,592
Diluted EPS (sen)	<u>1.41</u>	<u>1.77*</u>	<u>3.54</u>	<u>3.85*</u>

*For comparative purpose, the EPS and DEPS for individual quarter and year to date ended 31 March 2020 had been adjusted to reflect the bonus issue of 1 new ordinary share for every 1 existing ordinary shares held and bonus issue of 1 free warrant for every 3 ordinary shares held which was completed on 2 February 2021 and 10 February 2021 respectively.

B11. Financial Instruments

Outstanding derivatives as at 31 March 2021 is as follow:

Type of derivatives	Contract / Notional Value RM'000	Fair Value RM'000
Less than 1 year:-		
Forward exchange contract	<u>75,909</u>	<u>1,598</u>

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

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

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

	Individual Financial Quarter Ended		Year-to-date Ended	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Profit for the period is arrived after charging / (crediting):				
Interest expense on lease liability	36	18	83	38
Depreciation and amortisation	739	534	1,385	1,083
Depreciation for right-of-use assets	480	462	1,027	970
Reversal of allowance for doubtful debts	(541)	(432)	(248)	(569)
Inventories written down to net realisable value	100	664	(723)	602
Loss / (Gain) on disposal of property, plant and equipment	-	86	(3)	86
Property, plant and equipment written off	21	2	22	2
Foreign exchange (gain) / loss, net	(41)	(92)	(108)	84
Reversal of foreseeable loss	(86)	(209)	(387)	(632)
Fair value gain on forward exchange contracts	(950)	(721)	(935)	(895)
Provision for warranties-net	(2)	18	1	29

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 May 2021.