



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

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 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			
	31.12.2021 RM'000	31.12.2020 RM'000	Changes RM'000 %		31.12.2021 RM'000	31.12.2020 RM'000	Changes RM'000 %	
Revenue	<u>120,710</u>	<u>66,150</u>	54,560	82.5%	<u>120,710</u>	<u>66,150</u>	54,560	82.5%
Results from operating activities	12,095	8,713	3,382	38.8%	12,095	8,713	3,382	38.8%
Finance costs	(795)	(524)	(271)	(51.7%)	(795)	(524)	(271)	(51.7%)
Finance income	65	46	19	41.3%	65	46	19	41.3%
Net finance costs	(730)	(478)	(252)	(52.7%)	(730)	(478)	(252)	(52.7%)
Share of (loss) / profit of equity-accounted joint venture, net of tax	<u>(38)</u>	<u>147</u>	(185)	(125.9%)	<u>(38)</u>	<u>147</u>	(185)	(125.9%)
Profit before tax	<u>11,327</u>	<u>8,382</u>	2,945	35.1%	<u>11,327</u>	<u>8,382</u>	2,945	35.1%
Tax expense	<u>(2,924)</u>	<u>(2,190)</u>	(734)	(33.5%)	<u>(2,924)</u>	<u>(2,190)</u>	(734)	(33.5%)
Profit for the period	<u>8,403</u>	<u>6,192</u>	2,211	35.7%	<u>8,403</u>	<u>6,192</u>	2,211	35.7%

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 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			
	31.12.2021	31.12.2020	Changes		31.12.2021	31.12.2020	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	27	21	6	28.6%	27	21	6	28.6%
Cash flow hedge	45	456	(411)	(90.1%)	45	456	(411)	(90.1%)
Total other comprehensive income for the period	72	477	(405)	(84.9%)	72	477	(405)	(84.9%)
Total comprehensive income for the period	<u>8,475</u>	<u>6,669</u>	1,806	27.1%	<u>8,475</u>	<u>6,669</u>	1,806	27.1%
Profit attributable to:								
Owners of the Company	7,425	6,030	1,395	23.1%	7,425	6,030	1,395	23.1%
Non-controlling interests	978	162	816	503.7%	978	162	816	503.7%
	<u>8,403</u>	<u>6,192</u>	2,211	35.7%	<u>8,403</u>	<u>6,192</u>	2,211	35.7%



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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			
	31.12.2021	31.12.2020	Changes		31.12.2021	31.12.2020	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Total comprehensive income attributable to:								
Owners of the Company	7,494	6,505	989	15.2%	7,494	6,505	989	15.2%
Non-controlling interests	981	164	817	498.2%	981	164	817	498.2%
	<u>8,475</u>	<u>6,669</u>	1,806	27.1%	<u>8,475</u>	<u>6,669</u>	1,806	27.1%
Earnings per share:								
- Basic (sen)	<u>2.86</u>	<u>2.32*</u>	0.54	23.3%	<u>2.86</u>	<u>2.32*</u>	0.54	23.3%
- Diluted (sen)	<u>2.66</u>	<u>2.06*</u>	0.60	29.1%	<u>2.66</u>	<u>2.06*</u>	0.60	29.1%

Note:

* For comparative purpose, the basic earnings per share ("EPS") and diluted EPS for the individual quarter and year to date 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 2021 and the accompanying explanatory notes attached to these interim financial statements.)

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

	Individual Financial Quarter Ended		Changes	
	31.12.2021	30.09.2021	RM'000	%
	RM'000	RM'000	RM'000	
Revenue	<u>120,710</u>	<u>89,249</u>	31,461	35.3%
Results from operating activities	12,095	7,903	4,192	53.0%
Finance costs	(795)	(493)	(302)	(61.3%)
Finance income	65	106	(41)	(38.7%)
Net finance costs	(730)	(387)	(343)	(88.6%)
Share of loss of equity-accounted joint venture, net of tax	<u>(38)</u>	<u>(7)</u>	(31)	(442.9%)
Profit before tax	<u>11,327</u>	<u>7,509</u>	3,818	50.8%
Tax expense	<u>(2,924)</u>	<u>(1,061)</u>	(1,863)	(175.6%)
Profit for the period	<u>8,403</u>	<u>6,448</u>	1,955	30.3%
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	27	(34)	61	179.4%
Cash flow hedge	<u>45</u>	<u>(947)</u>	992	104.8%
Total other comprehensive income for the period	<u>72</u>	<u>(981)</u>	1,053	107.3%
Total comprehensive income for the period	<u>8,475</u>	<u>5,467</u>	3,008	55.0%
Profit attributable to:				
Owners of the Company	7,425	5,848	1,577	27.0%
Non-controlling interests	978	600	378	63.0%
	<u>8,403</u>	<u>6,448</u>	1,955	30.3%

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

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

(The figures have not been audited)

	Individual Financial			
	Quarter Ended			
	31.12.2021	30.09.2021	Changes	
	RM'000	RM'000	RM'000	%
Total comprehensive income attributable to:				
Owners of the Company	7,494	4,871	2,623	53.8%
Non-controlling interests	981	596	385	64.6%
	<u>8,475</u>	<u>5,467</u>	3,008	55.0%
Earnings per share:				
- Basic (sen)	<u>2.86</u>	<u>2.25</u>	0.61	27.1%
- Diluted (sen)	2.66	2.15	0.51	23.7%

(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 2021 and the accompanying explanatory notes attached to these interim financial statements.)

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

	Note	31.12.2021 RM'000 (Unaudited)	30.09.2021 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		43,136	42,113
Right-of-use assets		8,819	9,551
Intangible assets		682	784
Investment properties		8,164	8,024
Investment in joint venture		1,730	1,768
Other investments		10	10
Deferred tax assets		4,697	5,142
Total non-current assets		67,238	67,392
Current assets			
Inventories		44,549	43,018
Contract assets		80,982	85,182
Trade and other receivables		59,069	57,166
Current tax assets		1,833	1,857
Deposits and prepayments		9,917	9,331
Derivative financial assets		1,061	1,209
Other investments		1,043	1,043
Cash and cash equivalents		108,472	60,957
Total current assets		306,926	259,763
TOTAL ASSETS		<u>374,164</u>	<u>327,155</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		69,305	69,305
Reserves		136,260	128,766
Total equity attributable to owners of the Company		205,565	198,071
Non-controlling interests		4,681	3,828
TOTAL EQUITY		<u>210,246</u>	<u>201,899</u>

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

	Note	31.12.2021 RM'000 (Unaudited)	30.09.2021 RM'000 (Audited)
EQUITY AND LIABILITIES (continued)			
Non-current liabilities			
Loans and borrowings	B7	14,304	14,715
Lease liabilities		2,561	2,917
Deferred tax liabilities		1,037	1,121
Total non-current liabilities		17,902	18,753
Current liabilities			
Loans and borrowings	B7	46,949	23,572
Lease liabilities		2,098	1,880
Provision for warranties		345	280
Trade and other payables		87,153	68,259
Contract liabilities		7,168	10,549
Current tax payable		2,288	1,783
Derivative financial liabilities		15	180
Total current liabilities		146,016	106,503
TOTAL LIABILITIES		<u>163,918</u>	<u>125,256</u>
TOTAL EQUITY AND LIABILITIES		<u>374,164</u>	<u>327,155</u>
Net assets per share attributable to equity holders of the Company (RM)		0.79	0.76

(The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2021 and the accompanying explanatory notes attached to these interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 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 December 2021</u>	Share Capital 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 2021	69,305	1,087	(37)	127,716	198,071	3,828	201,899
Foreign currency translation differences for foreign operation	-	24	-	-	24	3	27
Cash flow hedge	-	-	45	-	45	-	45
Profit for the period	-	-	-	7,425	7,425	978	8,403
Total comprehensive income for the period	-	24	45	7,425	7,494	981	8,475
Dividend to non-controlling interest	-	-	-	-	-	(128)	(128)
Total transactions with owners of the Company	-	-	-	-	-	(128)	(128)
At 31 December 2021	69,305	1,111	8	135,141	205,565	4,681	210,246

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 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 December 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 2020	69,302	(5)	948	(595)	115,625	185,275	3,675	188,950
Foreign currency translation differences for foreign operation	-	-	19	-	-	19	2	21
Cash flow hedge	-	-	-	456	-	456	-	456
Profit for the period	-	-	-	-	6,030	6,030	162	6,192
Total comprehensive income for the period	-	-	19	456	6,030	6,505	164	6,669
At 31 December 2020	69,302	(5)	967	(139)	121,655	191,780	3,839	195,619

(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 2021 and the accompanying explanatory notes attached to these interim financial statements.)

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

	3 Months Period Ended	
	31.12.2021	31.12.2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	11,327	8,382
Adjustments for:		
Amortisation of investment properties	29	25
Amortisation of development costs	14	11
Reversal of foreseeable losses	(405)	(302)
Provision of warranties-net	81	3
Depreciation of property, plant and equipment	714	610
Gain on disposal of property, plant and equipment	(105)	(3)
Depreciation of right-of-use assets	515	547
Fair value loss on forward exchange contracts - net	134	15
Property, plant and equipment written off	3	1
Finance costs	795	524
Finance income	(65)	(46)
Share of loss / (gain) of equity-accounted joint venture, net of tax	38	(147)
Unrealised foreign exchange loss / (gain)	86	(67)
Operating profit before changes in working capital	13,161	9,553
Changes in working capital:		
Inventories	(1,527)	670
Trade and other receivables, deposits and prepayments	5,604	(656)
Trade and other payables	11,632	(14,589)
Cash generated from / (used in) operations	28,870	(5,022)
Income taxes paid	(2,044)	(1,570)
Interest paid	(61)	(78)
Interest received	65	46
Net cash generated from / (used in) operating activities	26,830	(6,624)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	105	3
Purchase of property, plant and equipment	(821)	(3,534)
Acquisition of intangible assets	(33)	(24)
Acquisition of investment properties	(169)	(144)
Net cash used in investing activities	(918)	(3,699)

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

	3 Months Period Ended	
	31.12.2021	31.12.2020
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend to non-controlling interest	(128)	-
Proceeds from / (Repayment of) loans and borrowings, net	22,845	(4,806)
Repayment of lease liabilities, net	(582)	(599)
Interest paid	(734)	(446)
Net cash generated from / (used in) financing activities	21,401	(5,851)
Net increase / (decrease) in cash and cash equivalents	47,313	(16,174)
Foreign exchange differences on cash held	(24)	(68)
Cash and cash equivalents at beginning of the financial year	60,957	71,654
Cash and cash equivalents at end of the financial period	108,246	55,412
Cash and cash equivalents included in the statements of cash flows comprise:		
Cash and bank balances	100,763	46,848
Liquid investments	7,709	8,845
Bank overdrafts	(226)	(281)
	108,246	55,412

(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 2021 and the accompanying explanatory notes attached to these 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 134 (“MFRS 134”) : Interim Financial Reporting, International Financial Reporting Standards 34 : Interim Financial Reporting, the requirements of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad 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 2021.

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 2021

- Amendments to MFRS 9, *Financial Instruments*
- Amendments to MFRS 139, *Financial Instruments: Recognition and Measurement*
- Amendments to MFRS 7, *Financial Instruments: Disclosures*
- Amendments to MFRS 4, *Insurance Contracts*
- Amendments to MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

The adoption of the abovementioned accounting standards and amendments does not have any material impact on the 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. Dividends Paid and Distributed

On 25 November 2021, the Directors declared a second interim dividend of 1.5 sen per ordinary share in respect of the financial year ended 30 September 2021 which was paid on 12 January 2022.

A7. Segmental Information

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

	Revenue RM’000	Profit before Tax RM’000
Marketing and Distribution	20,207	2,360
Manufacturing	26,159	1,211
Services	10,954	4,177
High Voltage System	63,390	3,579
Reportable segments	120,710	11,327

A8. Subsequent Material Event

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

A9. Changes in the Composition of the Group

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

A10. Capital Commitments

The Group’s outstanding capital commitments as at 31 December 2021 not provided for in the financial statements are as follows:

	RM’000
Balance purchase consideration for the acquisition of property, plant and equipment	3,924

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

A11. Changes in Contingent Liabilities

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

	RM’000
At 1 October 2021	499,421
Increased in borrowing facilities	-
At 31 December 2021	<u>499,421</u>

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

	RM’000
At 1 October 2021	37,162
Addition / (Upliftment)	<u>(6,792)</u>
At 31 December 2021	<u>30,370</u>

A12. Significant Related Party Transactions

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

Company	Relationship
Boilermech Sdn Bhd	A company in which a director is the brother of the Non-Independent Non-Executive Director and substantial shareholder, Mr. Chia Seong Pow.
CTL Automation Sdn Bhd	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.
QL Figo (Johor) Sdn Bhd	A company in which a director and substantial shareholder is also the Non-Independent Non-Executive Director of EITA.
Sigriner Automation (MFG) Sdn Bhd	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.
Tenaga Semesta (M) Sdn Bhd	A company in which a director and substantial shareholder is the brother of the Group Managing Director and substantial shareholder, Mr. Fu Wing Hong.

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

A12. Significant Related Party Transactions (continued)

	Cumulative Financial Quarter Ended	
	31.12.2021 RM'000	31.12.2020 RM'000
<u>Boilermech Sdn Bhd</u>		
- Sales of electrical equipment	134	451
<u>CTL Automation Sdn Bhd</u>		
- Sales of electrical equipment	13	23
- Repairs and purchase of elevators parts	(419)	(200)
<u>QL Figo (Johor) Sdn Bhd</u>		
- Sales of electrical equipment	-	1,965
<u>Sigriner Automation (MFG) Sdn Bhd</u>		
- Provision of management services and rental	69	49
- Sales of elevator parts	109	80
- Purchase of elevator controllers	(1,396)	(1,860)
<u>Tenaga Semesta (M) Sdn Bhd</u>		
- Sales of power equipment	-	220
- Purchase of mechanical and engineering works	(2)	(9)
- Purchase of electrical equipment	-	(8)

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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		%
	31.12.2021 RM'000	31.12.2020 RM'000	change	31.12.2021 RM'000	31.12.2020 RM'000	change
Revenue						
Marketing and Distribution	20,207	19,857	1.8%	20,207	19,857	1.8%
Manufacturing	26,159	23,917	9.4%	26,159	23,917	9.4%
Services	10,954	11,023	(0.6%)	10,954	11,023	(0.6%)
High Voltage System	63,390	11,353	458.4%	63,390	11,353	458.4%
Total	120,710	66,150	82.5%	120,710	66,150	82.5%
Profit before Tax ("PBT")						
Marketing and Distribution	2,360	2,963	(20.4%)	2,360	2,963	(20.4%)
Manufacturing	1,211	836	44.9%	1,211	836	44.9%
Services	4,177	4,064	2.8%	4,177	4,064	2.8%
High Voltage System	3,579	519	589.6%	3,579	519	589.6%
Total	11,327	8,382	35.1%	11,327	8,382	35.1%

The Group's revenue for the current quarter increased by RM54.6 million or 82.5% as compared to the preceding year corresponding quarter mainly due to higher revenue from the High Voltage System and Manufacturing segments.

The Group's PBT for the current quarter increased by RM2.9 million or 35.1% mainly due to higher PBT from the High Voltage System and Manufacturing segments.

**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

The Group's revenue for the current quarter increased by RM0.4 million or 1.8% mainly due to higher sales from the Power business. This was partly offset by the lower sales of Control business.

The Group's PBT for the current quarter decreased by RM0.6 million or 20.4% mainly due to the higher administrative costs and provision for stock loss.

(ii) Manufacturing Segment

The Group's revenue for the current quarter increased by RM2.2 million or 9.4% mainly due to the higher sales from elevator projects.

The Group's PBT for the current quarter increased by RM0.4 million or 44.9% in line with the higher revenue.

(iii) Service Segment

The Group's revenue for the current quarter has been relatively stable as compared to the preceding year corresponding quarter.

The Group's PBT for the current quarter increased by RM0.1 mil or 2.8% despite the relatively stable revenues mainly due to lower bad debts during the current quarter.

(iv) High Voltage System Segment

The Group's revenue for the current quarter increased by RM52.0 million or 458.4% mainly due to higher execution of Transmission Sub-Station projects.

The Group's PBT for the current quarter increased by RM3.1 million or 589.6% mainly due to the higher revenue during the current quarter. This was partially mitigated by higher administrative costs and provision for liquidated ascertained damages.

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		%
	31.12.2021	30.09.2021	change
	RM'000	RM'000	
Revenue			
Marketing and Distribution	20,207	17,529	15.3%
Manufacturing	26,159	26,899	(2.8%)
Services	10,954	8,115	35.0%
High Voltage System	63,390	36,886	71.9%
Total	120,710	89,429	35.0%
Profit before Tax ("PBT")			
Marketing and Distribution	2,360	1,711	37.9%
Manufacturing	1,211	1,128	7.4%
Services	4,177	2,709	54.2%
High Voltage System	3,579	1,961	82.5%
Total	11,327	7,509	50.8%

The Group's revenue for the current quarter increased by RM31.3 million or 35.0% against the preceding quarter mainly due to higher revenues from the Marketing and Distribution, Services and High Voltage System segments.

The Group's PBT for the current quarter increased by RM3.8 million or 50.8% against the preceding quarter mainly due to higher PBT from all four (4) of our Group's business segments.

(i) Marketing and Distribution Segment

The Group's revenue for the current quarter increased by RM2.7 million or 15.3% mainly due to higher demand for our Control business.

The Group's PBT for the current quarter increased by RM0.6 million or 37.9% mainly due to the higher revenue during the current quarter. This was partially mitigated by the higher administrative cost and provision in stock 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)

(ii) Manufacturing Segment

The Group's revenue for the current quarter decreased by RM0.7 mil or 2.8% mainly due to lower sales from elevator projects and ballast business. This was partially mitigated by the higher sales from the busduct business.

The Group's PBT for the current quarter increased by RM0.1 million or 7.4% mainly due to gains on foreign exchange and reversal of provision in stock loss. This was partially mitigated by the higher administrative costs incurred and fair value loss on derivative during the current quarter.

(iii) Services Segment

The Group's revenue for the current quarter increased by RM2.8 million or 35.0% mainly due to higher service and maintenance sales.

The Group's PBT for the current quarter increased by RM1.5 million or 54.2% mainly due to higher service and maintenance sales.

(iv) High Voltage System Segment

The Group's revenue for the current quarter increased by RM26.5 million or 71.9% mainly due to higher execution of Transmission Sub-Station projects.

The Group's PBT for the current quarter increased by RM1.6 million or 82.5% mainly due to higher revenue from the execution of Transmission Sub-Station projects. This was partially mitigated by higher administrative costs and provision for liquidated ascertained damages.

B3. Commentary on Prospects

The Group posted a strong first quarter despite operating in challenging times caused by COVID-19 pandemic risk. Demand from the domestic markets has improved to some extent in line with the recovery of the Malaysian economy. However, demand from overseas markets remains challenging. The Group expects the business environment to recover but rising cost of raw materials and increase in shipping and freight cost may impact the Group's profit margin.

Nonetheless, the Group will navigate through this challenging period with the current order book and ongoing projects in hand, coupled with the measures undertaken by the Group to strengthen its cost control and improve operational efficiency.

Premised on the above and barring any unforeseen circumstances, the Board of Directors is cautiously optimistic of the Group's financial performance for the current financial quarter ending 31 March 2022.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)
B4. Profit Forecast

No profit forecast has been issued by the Group previously in any public document.

B5. Tax Expense

	Individual Financial Quarter Ended 31.12.2021 RM'000	Cumulative Financial Quarter Ended 31.12.2021 RM'000
Current tax expense		
- current period	2,595	2,595
- prior period	(32)	(32)
	2,563	2,563
Deferred tax expense		
Origination and reversal of temporary differences		
- current period	352	352
- prior period	9	9
	361	361
Total current tax recognised in profit or loss	2,924	2,924
Share of tax of equity-accounted joint venture	(10)	(10)
Total tax expense	2,914	2,914

The effective tax rate of the Group for the cumulative financial quarter under review is 26% which is higher than the statutory tax rate of 24%. The higher effective tax rate was due to the recognition of deferred tax expenses.

B6. Status of Corporate Proposals Announced

There were no corporate proposals announced as at the date of this report.

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

B7. Group Borrowings

The Group's borrowings are as follows:

	As at 31.12.2021		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Finance lease liabilities	921	227	1,148
Term loan	13,383	2,405	15,788
Unsecured			
Banker's acceptance	-	42,791	42,791
Revolving credit	-	1,300	1,300
Bank overdrafts	-	226	226
	14,304	46,949	61,253

	As at 31.12.2020		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Term Loan	15,860	1,147	17,007
Unsecured			
Banker's acceptance	-	8,618	8,618
Bank overdrafts	-	281	281
	15,860	10,046	25,906

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

B8. Change in Material Litigations

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

B9. Proposed Dividend

During the quarter under review, no dividend was declared and paid.

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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Profit for the period attributable to owners (RM'000)	<u>7,425</u>	<u>6,030</u>	<u>7,425</u>	<u>6,030</u>
Weighted average number of ordinary shares in issue ('000)	260,004	259,996	260,004	259,996
Basic EPS (sen)	<u>2.86</u>	<u>2.32*</u>	<u>2.86</u>	<u>2.32*</u>

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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Profit for the period attributable to owners (RM'000)	<u>7,425</u>	<u>6,030</u>	<u>7,425</u>	<u>6,030</u>
Weighted average number of ordinary shares in issue ('000)*(basic)	260,004	259,996	260,004	259,996
Effect of dilution of share options ('000)	<u>19,475</u>	<u>32,596</u>	<u>19,475</u>	<u>32,596</u>
Weighted average number of ordinary shares in issue ('000)*(diluted)	279,479	292,592	279,479	292,592
Diluted EPS (sen)	<u>2.66</u>	<u>2.06*</u>	<u>2.66</u>	<u>2.06*</u>

Note:

* For comparative purpose, the basic EPS and DEPS for individual quarter and year to date ended 31 December 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.

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

B11. Financial Instruments

Outstanding derivatives as at 31 December 2021 are as follow:

Type of derivatives	Contract / Notional Value RM'000	Fair Value RM'000
Less than 1 year:		
Forward exchange contract	66,597	1,046

There are no changes to policies related to financial instruments since the 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	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Profit for the period is arrived after charging / (crediting):				
Interest expense on lease liabilities	45	47	45	47
Depreciation and amortisation	757	646	757	646
Depreciation for right-of-use assets	515	547	515	547
(Reversal of) /Allowance for impairment loss on trade receivables	(475)	293	(475)	293
Bad debts written off	3	71	3	71
Gain on disposal of property, plant and equipment	(105)	(3)	(105)	(3)
Reversal of inventories written down to net realisable value	(20)	(823)	(20)	(823)
Property, plant and equipment written off	3	1	3	1
Foreign exchange gain, net	(919)	(415)	(919)	(415)
Reversal of allowance for foreseeable loss	(405)	(302)	(405)	(302)
Fair value loss on forward exchange contracts, net	134	15	134	15
Provision for warranties-net	81	3	81	3

B13. Authority for Issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Directors dated 25 February 2022.