

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2023

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			
	31.12.2023	31.12.2022	Changes		31.12.2023	31.12.2022	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	114,617	73,023	41,594	57.0%	114,617	73,023	41,594	57.0%
Results from operating activities	10,717	2,686	8,031	299.0%	10,717	2,686	8,031	299.0%
Finance costs	(778)	(560)	(218)	(38.9%)	(778)	(560)	(218)	(38.9%)
Finance income	147	124	23	18.5%	147	124	23	18.5%
Net finance costs	(631)	(436)	(195)	(44.7%)	(631)	(436)	(195)	(44.7%)
Share of (loss) / gain of equity-accounted joint venture, net of tax	(61)	43	(104)	(241.9%)	(61)	43	(104)	(241.9%)
Profit before tax	10,025	2,293	7,732	337.2%	10,025	2,293	7,732	337.2%
Tax expense	(1,898)	(685)	(1,213)	(177.1%)	(1,898)	(685)	(1,213)	(177.1%)
Profit for the period	8,127	1,608	6,519	405.4%	8,127	1,608	6,519	405.4%

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2023
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			
	31.12.2023	31.12.2022	Changes		31.12.2023	31.12.2022	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	120	119	1	0.8%	120	119	1	0.8%
Total other comprehensive income for the period	120	119	1	0.8%	120	119	1	0.8%
Total comprehensive income for the period	<u>8,247</u>	<u>1,727</u>	6,520	377.5%	<u>8,247</u>	<u>1,727</u>	6,520	377.5%
Profit / (Loss) attributable to:								
Owners of the Company	7,490	1,919	5,571	290.3%	7,490	1,919	5,571	290.3%
Non-controlling interests	637	(311)	948	304.8%	637	(311)	948	304.8%
	<u>8,127</u>	<u>1,608</u>	6,519	405.4%	<u>8,127</u>	<u>1,608</u>	6,519	405.5%

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2023

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			
	31.12.2023	31.12.2022	Changes		31.12.2023	31.12.2022	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Total comprehensive income/(expenses)								
attributable to:								
Owners of the Company	7,598	2,026	5,572	275.0%	7,598	2,026	5,572	275.0%
Non-controlling interests	649	(299)	948	317.1%	649	(299)	948	317.1%
	<u>8,247</u>	<u>1,727</u>	6,520	377.5%	<u>8,247</u>	<u>1,727</u>	6,520	377.5%
Earnings per share:								
- Basic (sen)	<u>2.87</u>	<u>0.74</u>	2.13	287.8%	<u>2.87</u>	<u>0.74</u>	2.13	287.8%
- Diluted (sen)	<u>2.80</u>	<u>0.72</u>	2.08	288.9%	<u>2.80</u>	<u>0.72</u>	2.08	288.9%

(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 2023 and the accompanying explanatory notes attached to these interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2023
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(The figures have not been audited)

	Individual Financial Quarter Ended		Changes	
	31.12.2023	30.09.2023	RM'000	%
	RM'000	RM'000		
Revenue	114,617	84,861	29,756	35.1%
Results from operating activities	10,717	9,289	1,428	15.4%
Finance costs	(778)	(866)	88	10.2%
Finance income	147	149	(2)	(1.3%)
Net finance costs	(631)	(717)	86	12.0%
Share of loss of equity-accounted joint venture, net of tax	(61)	(227)	166	73.1%
Profit before tax	10,025	8,345	1,680	20.1%
Tax expense	(1,898)	(1,457)	(441)	(30.3%)
Profit for the period	8,127	6,888	1,239	18.0%
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	120	26	94	361.5%
Total comprehensive income for the period	8,247	6,914	1,333	19.3%
Profit attributable to:				
Owners of the Company	7,490	5,820	1,670	28.7%
Non-controlling interests	637	1,068	(431)	(40.4%)
	8,127	6,888	1,239	18.0%

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2023
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)
(The figures have not been audited)

	Individual Financial			
	Quarter Ended			
	31.12.2023	30.09.2023	Changes	
	RM'000	RM'000	RM'000	%
Total comprehensive income attributable to:				
Owners of the Company	7,598	5,844	1,754	30.0%
Non-controlling interests	649	1,070	(421)	(39.3%)
	<u>8,247</u>	<u>6,914</u>	1,333	19.3%
Earnings per share:				
- Basic (sen)	<u>2.87</u>	<u>2.24</u>	0.63	28.1%
- Diluted (sen)	2.80	2.24	0.56	25.0%

(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 2023 and the accompanying explanatory notes attached to these interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2023
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(The figures have not been audited)

	Note	31.12.2023 RM'000 (Unaudited)	30.09.2023 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		44,011	44,447
Right-of-use assets		8,552	8,946
Intangible assets		210	225
Investment properties		9,447	9,482
Investment in joint venture		1,162	1,223
Deferred tax assets		6,656	6,305
Total non-current assets		70,038	70,628
Current assets			
Inventories		48,532	49,868
Contract assets		60,388	93,537
Trade and other receivables		99,361	70,681
Current tax assets		2,950	3,122
Deposits and prepayments		13,317	11,212
Derivative financial assets		2,111	2,599
Other investments		1,116	1,096
Cash and cash equivalents		83,611	60,534
Total current assets		311,386	292,649
TOTAL ASSETS		381,424	363,277
EQUITY AND LIABILITIES			
Equity			
Share capital		71,812	69,382
Reserves		151,845	144,247
Total equity attributable to owners of the Company		223,657	213,629
Non-controlling interests		1,419	770
TOTAL EQUITY		225,076	214,399

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2023
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
(The figures have not been audited)

	Note	31.12.2023 RM'000 (Unaudited)	30.09.2023 RM'000 (Audited)
EQUITY AND LIABILITIES (continued)			
Non-current liabilities			
Loans and borrowings	B7	9,843	10,542
Lease liabilities		2,299	2,566
Deferred income		207	222
Deferred tax liabilities		1,222	1,023
Total non-current liabilities		13,571	14,353
Current liabilities			
Loans and borrowings	B7	40,996	56,899
Lease liabilities		1,891	1,944
Deferred income		59	59
Provision for warranties		600	671
Trade and other payables		85,764	47,683
Contract liabilities		12,171	26,114
Current tax payable		1,294	968
Derivative financial liabilities		2	187
Total current liabilities		142,777	134,525
TOTAL LIABILITIES		156,348	148,878
TOTAL EQUITY AND LIABILITIES		381,424	362,277
Net assets per share attributable to equity holders of the Company (RM)		0.85	0.82

(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 2023 and the accompanying explanatory notes attached to these interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	Attributable to owners of the Company		Retained Profits RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Non-Distributable	Distributable				
<u>Period Ended 31 December 2023</u>	Share Capital RM'000	Translation Reserve RM'000				
At 1 October 2023	69,382	2,249	141,998	213,629	770	214,399
Foreign currency translation differences for foreign operation	-	108	-	108	12	120
Profit for the period	-	-	7,490	7,490	637	8,127
Total comprehensive income for the period	-	108	7,490	7,598	649	8,247
Share options exercised	2,430	-	-	2,430	-	2,430
Total transactions with owners of the Company	2,430	-	-	2,430	-	2,430
At 31 December 2023	71,812	2,357	149,488	223,657	1,419	225,076

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

(The figures have not been audited)

	Attributable to owners of the Company		Retained Profits RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Non-Distributable	Distributable				
<u>Period Ended 31 December 2022</u>	Share Capital RM'000	Translation Reserve RM'000				
At 1 October 2022	69,382	1,608	137,967	208,957	3,917	212,874
Foreign currency translation differences for foreign operation	-	107	-	107	12	119
Profit / (Loss) for the period	-	-	1,919	1,919	(311)	1,608
Total comprehensive income / (expenses) for the period	-	107	1,919	2,026	(299)	1,727
Dividends to non-controlling interests	-	-	-	-	(127)	(127)
Total transactions with owners of the Company	-	-	-	-	(127)	(127)
At 31 December 2022	69,382	1,715	139,886	210,983	3,491	214,474

(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 2023 and the accompanying explanatory notes attached to these interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2023
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(The figures have not been audited)

	3 Months Period Ended	
	31.12.2023	31.12.2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	10,025	2,293
Adjustments for:		
Allowance / (Reversal of allowance) for foreseeable losses	450	(107)
Amortisation of development costs	15	15
Amortisation of investment properties	35	32
Depreciation of property, plant and equipment	836	823
Depreciation of right-of-use assets	531	529
Fair value loss on forward exchange contracts - net	303	1,615
Finance costs	778	560
Finance income	(147)	(124)
Gain on modification of right-of-use assets	(2)	(1)
Provision of warranties-net	(52)	376
Share of loss / (gain) of equity-accounted joint venture, net of tax	61	(43)
Unrealised foreign exchange (gain) / loss	(1,110)	77
Operating profit before changes in working capital	11,723	6,045
Changes in working capital:		
Inventories	1,352	(3,814)
Trade and other receivables, deposits and prepayments	4,805	8,042
Trade and other payables	21,786	(13,594)
Cash generated from / (used in) operations	39,666	(3,321)
Income taxes paid	(1,552)	(1,934)
Interest paid	(34)	(4)
Interest received	147	124
Net cash generated from / (used in) operating activities	38,227	(5,135)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	-	(1)
Acquisition of investment properties	-	(33)
Purchase of property, plant and equipment	(335)	(365)
Net cash used in investing activities	(335)	(399)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2023
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
(The figures have not been audited)

	3 Months Period Ended	
	31.12.2023	31.12.2022
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interest	-	(127)
Interest paid	(744)	(556)
Proceeds from share options exercised	2,430	-
Proceeds from loans and borrowings, net	(15,209)	(588)
Repayment of lease liabilities, net	(520)	(568)
	<hr/>	<hr/>
Net cash generated used in financing activities	(14,043)	(1,839)
	<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents	23,849	(7,373)
Foreign exchange differences on cash held	93	29
Cash and cash equivalents at beginning of the financial year	59,668	76,950
	<hr/>	<hr/>
Cash and cash equivalents at end of the financial period	83,610	69,606
	<hr/>	<hr/>
Cash and cash equivalents included in the statements of cash flows comprise:		
Cash and bank balances	72,375	52,742
Liquid investments	11,236	16,876
Bank overdrafts	(1)	(12)
	<hr/>	<hr/>
	83,610	69,606
	<hr/>	<hr/>

(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 2023 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 2023.

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 2023

- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform – Pillar Two Model Rules*

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.

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

A5. Nature and Amount of Changes in Estimates

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

A6. Dividends Paid and Distributed

On 22 November 2023, the Board of Directors’ (“Board”) has declared a second interim dividend of 1.0 sen per ordinary share in respect of the financial year ending 30 September 2023, which was paid on 15 January 2024.

A7. Segmental Information

Segmental information in respect of the Group’s business activities for the financial year to date ended 31 December 2023.

	Revenue RM’000	Profit before Tax RM’000
Marketing and Distribution	21,052	2,986
Manufacturing	33,384	593
Services	12,511	4,739
High Voltage System	47,670	1,707
Reportable segments	114,617	10,025

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.

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

A10. Capital Commitments

The Group's outstanding capital commitments as at 31 December 2023 not provided for in the financial statements are as follows:

	RM'000
Balance purchase consideration for the acquisition of property, plant and equipment	<u>1,178</u>

A11. Changes in Contingent Liabilities

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

	RM'000
At 1 October 2023	497,809
Decrease in borrowing facilities	-
At 31 December 2023	<u>497,809</u>

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

	RM'000
At 1 October 2023	61,307
Upliftment	(11,716)
At 31 December 2023	<u>49,591</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
Sigriner Automation (MFG) Sdn Bhd	A 50% joint venture company of EITA-Schneider (Mfg) Sdn Bhd in which a director is the Executive Directors of EITA, the holding company of ESM.

	Cumulative Financial Quarter Ended	
	31.12.2023 RM'000	31.12.2022 RM'000
<u>Sigriner Automation (MFG) Sdn Bhd</u>		
- Provision of management services and rental	142	75
- Sales of elevator parts and components	-	19
- Purchase robotic	-	(50)
- Purchase of elevator controllers	(406)	(1,981)

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		%
	31.12.2023 RM'000	31.12.2022 RM'000	change	31.12.2023 RM'000	31.12.2022 RM'000	change
Revenue						
Marketing and Distribution	21,052	24,475	(14.0%)	21,052	24,475	(14.0%)
Manufacturing	33,384	29,304	13.9%	33,384	29,304	13.9%
Services	12,511	9,135	37.0%	12,511	9,135	37.0%
High Voltage System	47,670	10,109	371.6%	47,670	10,109	371.6%
Total	114,617	73,023	57.0%	114,617	73,023	57.0%
Profit / (Loss) before Tax						
Marketing and Distribution	2,986	2,713	10.1%	2,986	2,713	10.1%
Manufacturing	593	(2,600)	122.8%	593	(2,600)	122.8%
Services	4,739	3,426	38.3%	4,739	3,426	38.3%
High Voltage System	1,707	(1,246)	237.0%	1,707	(1,246)	237.0%
Total	10,025	2,293	337.2%	10,025	2,293	337.2%

The Group's revenue for the current quarter increased by RM41.6 million or 57.0% as compared to the preceding year's corresponding quarter mainly due to higher revenue from the High Voltage System, Services and Manufacturing segments but partly offset by lower revenue from the Marketing and Distribution segment.

The Group's profit before tax ("PBT") for the current quarter increased by RM7.7 million or 337.2% mainly due to higher PBT from all four (4) business segments of the Group.

**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
(continued)**

(i) Marketing and Distribution Segment

The Marketing and Distribution segment's revenue for the current quarter decreased by RM3.4 million or 14.0% mainly due to lower revenue from the Power and Control businesses.

The Marketing and Distribution segment's PBT for the current quarter increased by RM0.3 million or 10.1% mainly due to lower distribution and administrative expenses, and higher reversal of inventories written down to net realisable value.

(ii) Manufacturing Segment

The Manufacturing segment's revenue for the current quarter increased by RM4.1 million or 13.9% mainly due to higher revenue from the Busduct business. However, this was partially offset by lower revenue from the Elevator projects and Ballast business.

The Manufacturing segment registered PBT for the current quarter as compared to LBT for the preceding quarter mainly due to the higher revenue, higher fair value gain on derivatives, lower allowance for doubtful debts and lower unrealised loss on foreign exchange. These were partially offset by the higher distribution and administrative expenses during the current quarter.

(iii) Services Segment

The Services segment's revenue for the current quarter increased by RM3.4 million or 37.0% mainly due to higher elevator service and repair maintenance works.

The Service segment's PBT for the current quarter increased by RM1.3 million or 38.3% mainly due to higher revenue. This was partially offset by higher administrative expenses.

(iv) High Voltage System Segment

The High Voltage System segment's revenue for the current quarter increased by RM37.6 million or 371.6% mainly due to the higher execution of Transmission Sub-Station projects in both Peninsular Malaysia and East Malaysia.

The High Voltage System segment registered PBT for the current quarter as compared to LBT for the preceding quarter mainly due to higher revenue and higher unrealised gain on foreign exchange. However, these were partially offset by the higher fair value loss on derivatives, higher administrative expenses and higher finance costs.

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

B2. Review of Current Financial Quarter Performance against Preceding Quarter

	Individual Financial Quarter Ended		% change
	31.12.2023 RM'000	30.09.2023 RM'000	
Revenue			
Marketing and Distribution	21,052	23,110	(8.9%)
Manufacturing	33,384	28,670	16.4%
Services	12,511	10,614	17.9%
High Voltage System	47,670	22,467	112.2%
Total	114,617	84,861	35.1%
Profit before Tax			
Marketing and Distribution	2,986	1,702	75.4%
Manufacturing	593	135	339.3%
Services	4,739	3,563	33.0%
High Voltage System	1,707	2,945	(42.0%)
Total	10,025	8,345	20.1%

The Group's revenue for the current quarter increased by RM29.7 million or 35.1% against the preceding quarter mainly due to higher revenue from the High Voltage System, Services and Manufacturing segments but partly offset by the lower revenue from the Marketing and Distribution segment.

The Group's PBT for the current quarter increased by RM1.7 million or 20.1% as compared to the preceding quarter mainly due to the higher PBT from the Manufacturing, Marketing and Distribution, and Services segments. These were partly offset by the lower PBT recorded from High Voltage System segment.

(i) Marketing and Distribution Segment

The Marketing and Distribution segment's revenue for the current quarter decreased by RM2.1 million or 8.9% mainly due to the lower sales from the Control business.

The Marketing and Distribution segment's PBT for the current quarter increased by RM1.3 million or 75.4% mainly due to lower administrative and distribution expenses, as well as higher reversal of allowance for doubtful debts. However, these were partially offset by the lower reversal of inventories written down to net realisable value.

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

B2. Review of Current Financial Quarter Performance against Preceding Quarter (continued)

(ii) Manufacturing Segment

The Manufacturing segment's revenue for the current quarter increased by RM4.7 million or 16.4% mainly due to higher revenue from the Busducts business. However, this was partially offset by lower revenue from the Elevator projects.

The Manufacturing segment's PBT for the current quarter increased by RM0.4 million or 339.3% mainly due to higher revenue, a higher realised gain on foreign exchange and lower unrealised loss on foreign exchange. However, these were partially offset by higher distribution expenses and a higher allowance for doubtful debts.

(iii) Services Segment

The Services segment's revenue for the current quarter increased by RM1.9 million or 17.9% mainly due to higher repair maintenance works and elevator maintenance contract revenue.

The Services segment's PBT for the current quarter increased by RM1.2 million or 33.0% mainly due to higher revenue and a higher reversal of allowance for doubtful debts. However, these were partially offset by higher administrative expenses.

(iv) High Voltage System Segment

The High Voltage System segment's revenue for the current quarter increased by RM25.2 million or 112.2% mainly due to higher execution of Transmission Sub-Station projects in Peninsular Malaysia.

The High Voltage System segment's PBT for the current quarter decreased by RM1.2 million or 42.0%. There was a reversal of provision for liquidated ascertain damages in the preceding quarter, however, no reversal and provision for liquidated ascertain damages was made during the current quarter under review.

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

B3. Commentary on Prospects

The Group expects to continue facing some challenges such as material and labour cost pressure on operations. In addition, the weakening of the Ringgit Malaysia against other currencies may continue to impact the Group's financial performance.

The Group will navigate through this challenging period with the current order book and on-going projects in hand, as well as continue to adopt a prudent approach for the Group's business operations.

Premised on the above and barring any unforeseen circumstances, the Board is cautiously optimistic of the Group's financial performance for the financial quarter ending 31 March 2024.

B4. Profit Forecast

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

B5. Tax Expense

	Individual Financial Quarter Ended 31.12.2023 RM'000	Cumulative Financial Quarter Ended 31.12.2023 RM'000
Current tax expense		
- current period	2,056	2,056
- prior period	(6)	(6)
	2,050	2,050
Deferred tax expense		
Origination and reversal of temporary differences		
- current period	(148)	(148)
- prior period	(4)	(4)
	(152)	(152)
Total current tax recognised in profit or loss	1,898	1,898
Share of tax of equity-accounted joint venture	6	6
Total tax expense	1,904	1,904

The effective tax rate of the Group for the cumulative financial quarter under review is 19% which is lower than the statutory tax rate of 24%. The lower effective tax rate was mainly due to the recognition of deferred tax assets resulting from the elevator business and the double deduction on expenses in relation to the development of the Group's products.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)
B6. Status of Corporate Proposals Announced

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

B7. Group Borrowings

The Group's borrowings are as follows:

	As at 31.12.2023		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Finance lease liabilities	567	287	854
Term loans	9,276	2,624	11,900
Unsecured			
Banker's acceptance	-	21,384	21,384
Bank overdrafts	-	1	1
Revolving credit	-	16,700	16,700
	9,843	40,996	50,839

	As at 31.12.2022		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Finance lease liabilities	1,279	341	1,620
Term loans	1,339	12,743	14,082
Unsecured			
Banker's acceptance	-	13,123	13,123
Bank overdrafts	-	12	12
Revolving credit	-	15,700	15,700
	2,618	41,919	44,537

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		Cumulative Financial Quarter Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Profit for the period attributable to owners (RM'000)	<u>7,490</u>	<u>1,919</u>	<u>7,490</u>	<u>1,919</u>
Weighted average number of ordinary shares in issue ('000)	260,843	260,113	260,843	260,113
Basic EPS (sen)	<u>2.87</u>	<u>0.74</u>	<u>2.87</u>	<u>0.74</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		Cumulative Financial Quarter Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Profit for the period attributable to owners (RM'000)	<u>7,490</u>	<u>1,919</u>	<u>7,490</u>	<u>1,919</u>
Weighted average number of ordinary shares in issue ('000) (basic)	260,843	260,113	260,843	260,113
Effect of dilution of share options ('000)	<u>6,985</u>	<u>5,767</u>	<u>6,985</u>	<u>5,767</u>
Weighted average number of ordinary shares in issue ('000) (diluted)	267,828	265,880	267,828	265,880
Diluted EPS (sen)	<u>2.80</u>	<u>0.72</u>	<u>2.80</u>	<u>0.72</u>

B11. Financial Instruments

Outstanding derivatives as at 31 December 2023 are as follow:

Type of derivatives	Contract / Notional Value RM'000	Net Derivative Financial Assets RM'000
Less than 1 year:		
Forward exchange contract	<u>85,312</u>	<u>2,109</u>

There are no changes to policies related to financial instruments since the 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	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Profit for the period is arrived after charging / (crediting):				
Allowance for / (Reversal of allowance) foreseeable loss	450	(107)	450	(107)
Bad debts written off	-	22	-	22
Depreciation and amortisation	886	870	886	870
Depreciation for right-of-use assets	531	529	531	529
Fair value loss on forward exchange contracts, net	303	1,615	303	1,615
Foreign exchange gain, net	(1,244)	(112)	(1,244)	(112)
Interest expense on lease liabilities	38	31	38	31
Inventories written down to net realisable value	531	628	531	628
(Reversal of) / Provision for warranties-net	(52)	376	(52)	376
(Reversal of) / Provision for impairment loss on receivables	(316)	558	(316)	558

B13. Authority for Issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Directors dated 26 February 2024.