

CHAIRMAN'S STATEMENT



Dear Shareholders,

I have the pleasure of presenting to you the 2023 Annual Report for the financial year ended September 30, 2023 ("FY2023").

DATO' SIEW KIM LUN

Non-Independent Non-Executive Chairman

BUSINESS RESULTS

While the challenges of the FY2023 business landscape persist as the world emerges from the pandemic, we are heartened by the return to normalcy and the prospects of economic recovery, globally and within Malaysia. However, we must still remain vigilant and adaptive to the uncertainties ahead.

For FY2023, the EITA Group achieved a consolidated revenue of RM316.9 million, as compared to RM363.6 million for FY2022. Segmentally, the Manufacturing business was our largest contributor with RM118.3 million (37.3%) of the Group's revenue. The Marketing & Distribution segment followed as the second-largest revenue source with RM92.8 million (29.3%), while the High Voltage System segment recorded RM64.1 million (20.2%), and Services contributed RM41.7 million (13.2%).

Our Profit After Tax (PAT) for FY2023 amounted to RM7.3 million, which was a 61.4% reduction from our FY2022 PAT of RM18.9 million. The decrease in profit was mainly contributed by the cost overrun incurred by our High Voltage System division and the provision for liquidated ascertained damages.

As of 30 September 2023, the Group Shareholder's Fund stood at RM213.6 million.

CHAIRMAN'S STATEMENT

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ACHIEVEMENTS

For our **Manufacturing segment**, we maintained a strong focus on enhancing the brand image of our products, namely EITA-Schneider® for Elevator Systems and Furutec® for Busduct Systems, in both the domestic and international markets.

Despite the initial setbacks caused by the COVID-19 pandemic, the Manufacturing and Construction sectors rebounded as businesses returned to normal operations. We continued to secure significant projects in commercial complexes, residential properties and power infrastructure, with ongoing efforts to deliver elevator systems for important transportation infrastructure projects.



EITA-Schneider brand



EITA Elevator HQ at Bukit Raja

EITA Elevator (Malaysia) Sdn. Bhd. ("EITA Elevator") and its related companies have now been operating for more than a year now at our new headquarters in Bukit Raja, Klang, with increased productivity and efficiency.

Our Elevator Test Tower, certified as the "Tallest Elevator Test Tower in Malaysia," stands as a landmark in the Bukit Raja area. We have also taken steps to embrace sustainability when we installed a Solar PV system at our Bukit Raja location in 2022, substantially reducing our carbon footprint.

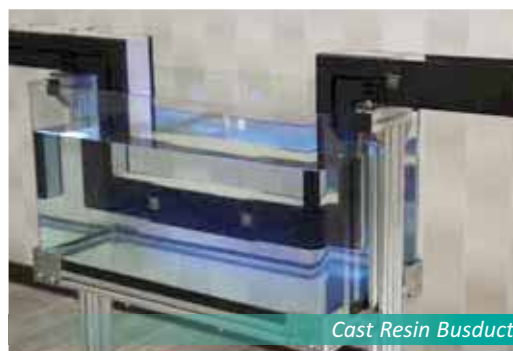
Furutec Electrical Sdn. Bhd. ("Furutec Electrical") faced some challenges during the year due to the pandemic, but remains committed to growing our busduct business, especially in the international markets. We responded to market demands by developing the i-DC busduct model for data-center power distribution within the ASEAN region and sales have so far been promising.

Our **Marketing and Distribution segment** remained a steady revenue contributor to the Group. We continue to provide our suite of internationally renowned Electrical and Electronic ("E&E") brands and products such as Fuji Electric, Kyoritsu, and Novaris to our customers. I would like to take this opportunity to express our gratitude to our key overseas principals for their unwavering support.

The Group's marketing and support teams have over the years cultivated strong relationships with our business partners and customers. This has enabled us to navigate these challenging times together successfully.



Fuji Electric - Inverter



Cast Resin Busduct

CHAIRMAN'S STATEMENT

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Elevator Maintenance

The **Service division** continues to provide timely repair and maintenance services for elevator and escalator systems to our customers. This division is a significant contributor of recurring revenue to the Group. To enhance customer satisfaction, we consistently invest in upskilling our service personnel and improving service quality.

In May 2023, ETC Training Sdn. Bhd. ("ETC"), our training entity based in our Bukit Raja headquarters, launched a training and certification programme to upskill local elevator servicemen and for them to gain recognition for their technical work experience and skills. ETC's ultimate aim is to become the leading training centre in the elevator industry in Malaysia.

TransSystem Continental Sdn. Bhd. ("TSC"), our **High Voltage System division**, specializes in the Engineering, Procurement, Construction, and Commissioning of cabling works and high-voltage substations.

With a growing population and increased industrialization, the need for more energy usage is always in high demand that augurs well for the EITA Group. As such, TSC will be busy in fulfilling our contracts with Tenaga Nasional Berhad and Sarawak Energy Berhad whilst we seek to bid and secure more projects to strengthen our positioning in the market.



Substation Installation

OUTLOOK

Despite coming out of a global pandemic for the first time in 3 years, the future for most businesses is still fraught with challenges. The ongoing Russia-Ukraine and Israel-Palestine conflicts, protracted trade war between the United States of America and China, and the lingering after-effects of the pandemic will lead to worldwide geopolitical, economic, and social uncertainties. The global GDP fell from 3.4% in 2022 to 2.8% in 2023, while the baseline is forecast to settle at around 3.0% for 2024. ¹

Despite the unstable global outlook, Malaysia's economy is expected to grow from 4.7% to a modest 4.9% in 2024, buoyed by strong domestic consumption and a rebound in services and ongoing infrastructure projects, as borders reopened and economic activities normalised. ²



Pyrotec – FRMI cables

¹ <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>

² <https://theedgemalaysia.com/node/662015>

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Natural Lighting at Warehouse

Embracing the Environmental, Social, and Governance ("ESG") principles has grown from being a global trend influencing businesses to becoming a Bursa Malaysia requirement for Malaysian Public-Listed Companies to adhere to the ESG and Sustainability Reporting guidelines in their annual reports.

The Group is progressing well in this regard as sustainable practices and ESG initiatives have consistently been our practice as evidenced in the "Sustainability Statement" section of this report. We are committed to comply with the ESG requirements set forth by BURSA Malaysia as well as going beyond what we can and conscientiously should do for the betterment of our planet.

DIVIDEND

For FY2023, the Group has declared and paid two interim dividends. The first interim dividend of 1.00 sen per ordinary share equivalent to RM2.6 million was paid to our shareholders on 7 July 2023. The second interim dividend of 1.00 sen per ordinary share equivalent to RM2.6 million was paid to our shareholders on 15 January 2024. The total dividend payment of 2.00 sen per ordinary share is equivalent to RM5.2 million representing a payout ratio of 71.2% of the Group's net profits for FY2023.

APPRECIATION

FY2023 was undoubtedly a challenging year, but I believe it has made us stronger. Hence, on behalf of the Board, I would like to extend my sincere appreciation to our customers, suppliers, business partners, government officials, and bankers for their support. To our shareholders, our heartfelt thanks for your continued faith and trust in EITA.

Mr. Steven Chong Lee Chang, our Non-Independent Non-Executive Director, resigned on 30 August 2023 after serving the Board for over 12 years. On behalf of the Board, I would like to express our sincere gratitude and appreciation for his valuable contribution.

We would like to welcome Ms. Kow Poh Gek, who joined us as an Independent Non-Executive Director on 30 August 2023. We look forward to her contribution to the Board.

To our Board members, EITA Management team, and staff, I thank you for your perseverance, contribution, adaptability, diligence, and commitment which have been invaluable throughout the years. May we continue to be creative, resilient, and nimble in navigating our path forward whilst embodying our EITA Group tagline, "Brings Good Feel to Life," throughout the journey.

With my sincere thanks to all,

DATO' SIOW KIM LUN

Non-Independent Non-Executive Chairman



EITA Elevator – MRT 2