



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

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2022

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			
	31.03.2022	31.03.2021	Changes		31.03.2022	31.03.2021	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	84,292	80,367	3,925	4.9%	205,002	146,517	58,485	39.9%
Results from operating activities	5,924	5,561	363	6.5%	18,019	14,274	3,745	26.2%
Finance costs	(696)	(526)	(170)	(32.3%)	(1,491)	(1,050)	(441)	(42.0%)
Finance income	89	17	72	423.5%	154	63	91	144.4%
Net finance costs	(607)	(509)	(98)	(19.3%)	(1,337)	(987)	(350)	(35.5%)
Share of profit / (loss) of equity-accounted joint venture, net of tax	6	(94)	100	106.4%	(32)	53	(85)	(160.4%)
Profit before tax	5,323	4,958	365	7.4%	16,650	13,340	3,310	24.8%
Tax expense	(1,543)	(1,404)	(139)	(9.9%)	(4,467)	(3,594)	(873)	(24.3%)
Profit for the period	3,780	3,554	226	6.4%	12,183	9,746	2,437	25.0%



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(The figures have not been audited)

	Individual Financial				Cumulative Financial			
	Quarter Ended		Changes		Quarter Ended		Changes	
	31.03.2022	31.03.2021	RM'000	%	31.03.2022	31.03.2021	RM'000	%
	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	72	155	(83)	(53.5%)	99	176	(77)	(43.8%)
Cash flow hedge	(39)	814	(853)	(104.8%)	6	1,270	(1,264)	(99.5%)
Total other comprehensive income for the period	<u>33</u>	<u>969</u>	<u>(936)</u>	<u>(96.6%)</u>	<u>105</u>	<u>1,446</u>	<u>(1,341)</u>	<u>(92.7%)</u>
Total comprehensive income for the period	<u>3,813</u>	<u>4,523</u>	<u>(710)</u>	<u>(15.7%)</u>	<u>12,288</u>	<u>11,192</u>	<u>1,096</u>	<u>9.8%</u>
Profit attributable to:								
Owners of the Company	3,496	3,997	(501)	(12.5%)	10,921	10,027	894	8.9%
Non-controlling interests	284	(443)	727	164.1%	1,262	(281)	1,543	549.1%
	<u>3,780</u>	<u>3,554</u>	<u>226</u>	<u>6.4%</u>	<u>12,183</u>	<u>9,746</u>	<u>2,437</u>	<u>25.0%</u>



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Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2022

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

(The figures have not been audited)

	Individual Financial				Cumulative Financial			
	Quarter Ended		Changes		Quarter Ended		Changes	
	31.03.2022	31.03.2021	RM'000	%	31.03.2022	31.03.2021	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Total comprehensive income attributable to:								
Owners of the Company	3,522	4,951	(1,429)	(28.9%)	11,016	11,456	(440)	(3.8%)
Non-controlling interests	291	(428)	719	168.0%	1,272	(264)	1,536	581.8%
	<u>3,813</u>	<u>4,523</u>	(710)	(15.7%)	<u>12,288</u>	<u>11,192</u>	1,096	9.8%
Earnings per share:								
- Basic (sen)	<u>1.34</u>	<u>1.54</u>	(0.20)	(13.0%)	<u>4.20</u>	<u>3.86</u>	0.34	8.8%
- Diluted (sen)	<u>1.28</u>	<u>1.41</u>	(0.14)	(9.9%)	<u>3.94</u>	<u>3.54</u>	0.40	11.3%

(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 March 2022

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Financial Quarter Ended		Changes	
	31.03.2022	31.12.2021	RM'000	%
	RM'000	RM'000		
Revenue	84,292	120,710	(36,418)	(30.2%)
Results from operating activities	5,924	12,095	(6,171)	(51.0%)
Finance costs	(696)	(795)	99	12.5%
Finance income	89	65	24	36.9%
Net finance costs	(607)	(730)	123	16.8%
Share of profit / (loss) of equity-accounted joint venture, net of tax	6	(38)	44	115.8%
Profit before tax	5,323	11,327	(6,004)	(53.0%)
Tax expense	(1,543)	(2,924)	1,381	47.2%
Profit for the period	3,780	8,403	(4,623)	(55.0%)
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	72	27	45	166.7%
Cash flow hedge	(39)	45	(84)	(186.7%)
Total other comprehensive income for the period	33	72	(39)	(54.2%)
Total comprehensive income for the period	3,813	8,475	(4,662)	(55.0%)
Profit attributable to:				
Owners of the Company	3,496	7,425	(3,929)	(52.9%)
Non-controlling interests	284	978	(694)	(71.0%)
	3,780	8,403	(4,623)	(55.0%)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2022
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)
(The figures have not been audited)

	Individual Financial			
	Quarter Ended			
	31.03.2022	31.12.2021	Changes	
	RM'000	RM'000	RM'000	%
Total comprehensive income attributable to:				
Owners of the Company	3,522	7,494	(3,972)	(53.0%)
Non-controlling interests	291	981	(690)	(70.3%)
	<u>3,813</u>	<u>8,475</u>	(4,662)	(55.0%)
Earnings per share:				
- Basic (sen)	<u>1.34</u>	<u>2.86</u>	(1.52)	(53.1%)
- Diluted (sen)	<u>1.28</u>	<u>2.66</u>	(1.39)	(52.3%)

(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 March 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Note	31.03.2022 RM'000 (Unaudited)	30.09.2021 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		43,142	42,113
Right-of-use assets		8,464	9,551
Intangible assets		547	784
Investment properties		8,135	8,024
Investment in joint venture		1,736	1,768
Other investments		10	10
Deferred tax assets		4,994	5,142
Total non-current assets		67,028	67,392
Current assets			
Inventories		44,761	43,018
Contract assets		102,458	85,182
Trade and other receivables		50,275	57,166
Current tax assets		1,998	1,857
Deposits and prepayments		11,759	9,331
Derivative financial assets		633	1,209
Other investments		1,038	1,043
Cash and cash equivalents		81,422	60,957
Total current assets		294,344	259,763
TOTAL ASSETS		<u>361,372</u>	<u>327,155</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		69,305	69,305
Reserves		135,882	128,766
Total equity attributable to owners of the Company		205,187	198,071
Non-controlling interests		4,972	3,828
TOTAL EQUITY		<u>210,159</u>	<u>201,899</u>

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

EQUITY AND LIABILITIES (continued)	Note	31.03.2022 RM'000 (Unaudited)	30.09.2021 RM'000 (Audited)
Non-current liabilities			
Loans and borrowings	B7	13,631	14,715
Lease liabilities		2,314	2,917
Deferred tax liabilities		1,069	1,121
Total non-current liabilities		17,014	18,753
Current liabilities			
Loans and borrowings	B7	46,028	23,572
Lease liabilities		1,966	1,880
Provision for warranties		427	280
Trade and other payables		66,048	68,259
Contract liabilities		16,798	10,549
Current tax payable		2,909	1,783
Derivative financial liabilities		23	180
Total current liabilities		134,199	106,503
TOTAL LIABILITIES		<u>151,213</u>	<u>125,256</u>
TOTAL EQUITY AND LIABILITIES		<u><u>361,372</u></u>	<u><u>327,155</u></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 March 2022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	< ----- Attributable to owners of the Company ----- >				Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Translation Reserve RM'000	Hedging Reserve RM'000	Retained Profits RM'000			
<u>Period Ended 31 March 2022</u>							
At 1 October 2021	69,305	1,087	(37)	127,716	198,071	3,828	201,899
Foreign currency translation differences for foreign operation	-	89	-	-	89	10	99
Cash flow hedge	-	-	6	-	6	-	6
Profit for the period	-	-	-	10,921	10,921	1,262	12,183
Total comprehensive income for the period	-	89	6	10,921	11,016	1,272	12,288
Dividend to owners of the Company	-	-	-	(3,900)	(3,900)	-	(3,900)
Dividend to non-controlling interests	-	-	-	-	-	(128)	(128)
Total transactions with owners of the Company	-	-	-	(3,900)	(3,900)	(128)	(4,028)
At 31 March 2022	69,305	1,176	(31)	134,737	205,187	4,972	210,159

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

(The figures have not been audited)

<u>Period Ended 31 March 2021</u>	< ----- Attributable to owners of the Company ----- >					Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Hedging Reserve RM'000	Retained Profits 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

(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 March 2022

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	6 Months Period Ended	
	31.03.2022	31.03.2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	16,650	13,340
Adjustments for:		
Amortisation of investment properties	58	103
Amortisation of development costs	29	23
Bad debts written off	83	674
Reversal of foreseeable losses	(470)	(387)
Provision of warranties-net	178	1
Depreciation of property, plant and equipment	1,438	1,259
Gain on disposal of property, plant and equipment	(105)	(3)
Depreciation of right-of-use assets	1,032	1,027
Fair value loss / (gain) on forward exchange contracts - net	537	(935)
Property, plant and equipment written off	3	22
Finance costs	1,491	1,050
Finance income	(154)	(63)
Share of loss / (gain) of equity-accounted joint venture, net of tax	32	(53)
Unrealised foreign exchange loss / (gain)	26	(108)
	<hr/>	<hr/>
Operating profit before changes in working capital	20,828	15,950
Changes in working capital:		
Inventories	(1,730)	(2,896)
Trade and other receivables, deposits and prepayments	(8,856)	(13,832)
Trade and other payables	449	(11,161)
	<hr/>	<hr/>
Cash generated from / (used in) operations	10,691	(11,939)
Income taxes paid	(3,397)	(2,651)
Interest paid	(147)	(174)
Interest received	154	63
	<hr/>	<hr/>
Net cash generated from / (used in) operating activities	7,301	(14,701)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	105	-
Purchase of property, plant and equipment	(1,853)	(5,266)
Acquisition of intangible assets	(33)	(40)
Acquisition of investment properties	(169)	(1,310)
	<hr/>	<hr/>
Net cash used in investing activities	(1,950)	(6,616)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2022

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(The figures have not been audited)

	6 Months Period Ended	
	31.03.2022	31.03.2021
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interests	(128)	-
Dividend paid to owners of the company	(3,900)	(3,900)
Proceeds from loans and borrowings, net	21,531	4,971
Repayment of lease liabilities, net	(1,080)	(1,134)
Proceeds from share options exercised	-	3
Proceeds from sale of treasury shares	-	9
Interest paid	(1,344)	(876)
Net cash generated from / (used in) financing activities	15,079	(927)
Net increase / (decrease) in cash and cash equivalents	20,430	(22,244)
Foreign exchange differences on cash held	35	85
Cash and cash equivalents at beginning of the financial year	60,957	71,654
Cash and cash equivalents at end of the financial period	81,422	49,495
Cash and cash equivalents included in the statements of cash flows comprise:		
Cash and bank balances	70,670	43,373
Liquid investments	10,752	6,122
	81,422	49,495

(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 March 2022.

	Revenue RM’000	Profit before Tax RM’000
Marketing and Distribution	39,863	4,475
Manufacturing	50,762	133
Services	22,362	7,895
High Voltage System	92,015	4,147
Reportable segments	205,002	16,650

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 March 2022 not provided for in the financial statements are as follows:

Balance purchase consideration for the acquisition of property, plant and equipment	RM’000 3,469
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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
Increase in borrowing facilities	23,388
At 31 March 2022	<u>522,809</u>

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

	RM’000
At 1 October 2021	37,162
Addition / (Upliftment)	3,701
At 31 March 2022	<u>40,863</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	
	31.03.2022 RM’000	31.03.2021 RM’000
<u>Boilermech Sdn Bhd</u>		
- Sales of electrical equipment	452	903
<u>CTL Automation Sdn Bhd</u>		
- Sales of electrical equipment	19	47
- Repairs and purchase of elevators parts	(535)	(630)
<u>QL Figo (Johor) Sdn Bhd</u>		
- Sales of electrical equipment	54	1,965
<u>Sigriner Automation (MFG) Sdn Bhd</u>		
- Provision of management services and rental	138	118
- Sales of elevator parts	137	80
- Sales of robotics	101	-
- Purchase of elevator controllers	(2,344)	(4,147)
<u>Tenaga Semesta (M) Sdn Bhd</u>		
- Sales of power equipment	-	221
- Purchase of mechanical and engineering works	(2)	(353)
- Purchase of electrical equipment	-	(17)

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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		% change	Cumulative Financial Quarter Ended		% change
	31.03.2022 RM'000	31.03.2021 RM'000		31.03.2022 RM'000	31.03.2021 RM'000	
Revenue						
Marketing and Distribution	19,656	17,999	9.2%	39,863	37,856	5.3%
Manufacturing	24,603	34,362	(28.4%)	50,762	58,279	(12.9%)
Services	11,408	7,899	44.4%	22,362	18,922	18.2%
High Voltage System	28,625	20,107	42.4%	92,015	31,460	192.5%
Total	84,292	80,367	4.9%	205,002	146,517	39.9%
Profit/(Loss) before Tax						
Marketing and Distribution	2,115	2,036	3.9%	4,475	4,999	(10.5%)
Manufacturing	(1,078)	2,209	(148.8%)	133	3,045	(95.6%)
Services	3,718	2,032	83.0%	7,895	6,096	29.5%
High Voltage System	568	(1,319)	143.1%	4,147	(800)	618.4%
Total	5,323	4,958	7.4%	16,650	13,340	24.8%

The Group's revenue for the current quarter increased by RM3.9 million or 4.9% as compared to the preceding year corresponding quarter mainly due to higher revenues from the High Voltage System and Services segments but partly offset by the lower sales of the Manufacturing segment.

Cumulatively, the Group's revenue increased by RM58.5 million or 39.9% as compared to the preceding corresponding period mainly due to higher revenues from the High Voltage System and Services segments.

The Group's profit before tax ("PBT") for the current quarter increased by RM0.4 million or 7.4% mainly due to higher PBT from the Services and High Voltage System segments but partly offset by the loss before tax ("LBT") of Manufacturing segment.

Cumulatively, the Group's PBT increased by RM3.3 million or 24.8% mainly due to higher PBT from the Services and High Voltage System segments but partly offset by the lower PBT of the Marketing and Distribution 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 RM1.7 million or 9.2% mainly due to higher sales from the Power and Control business.

The Group's cumulative revenue increased by RM2.0 million or 5.3% mainly due to the higher sales from the Power business.

The Group's PBT for the current quarter increased marginally by RM0.1 million or 3.9% despite the higher revenues mainly due to higher administrative expenses incurred during the current quarter.

The Group's cumulative PBT decreased by RM0.5 million or 10.5% mainly due to higher cost of materials and administrative costs. The higher cost was partially mitigated by the higher reversal of allowance of doubtful debts.

(ii) Manufacturing Segment

The Group's revenue for the current quarter decreased by RM9.8 million or 28.4% mainly due to the lower sales from all three manufacturing businesses.

The Group's cumulative revenue decreased by RM7.5 million or 12.9% mainly due to lower revenue from the Busduct and Ballast business.

The Group recorded LBT of RM1.1 million for the current quarter mainly due to lower revenues and fair value loss on derivative.

The Group's cumulative PBT decreased by RM2.9 million or 95.6% mainly due to the lower revenues and fair value loss on derivative. However, these were partially mitigated by the higher realised gains on foreign exchange and higher scrap income.

(iii) Service Segment

The Group's revenue for the current quarter increased by RM3.5 million or 44.4% mainly due to higher maintenance contract revenue.

The Group's cumulative revenue increased by RM3.4 million or 18.2% mainly due to higher maintenance contract revenue.

The Group's PBT for the current quarter increased by RM1.7 mil or 83.0% in line with the higher revenue. This was partially mitigated by the higher administrative expenses.

The Group's cumulative PBT increased by RM1.8 million or 29.5% mainly due to higher revenues. This was partially mitigated by the 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

The Group's revenue for the current quarter increased by RM8.5 million or 42.4% mainly due to higher execution of Transmission Sub-Station projects.

The Group's cumulative revenue increased by RM60.6 million or 192.5% was due to the same reason mentioned above.

The Group's PBT for the current quarter increased by RM1.9 million or 143.1% was mainly due to the higher revenue during the current quarter.

The Group's cumulative PBT increased by RM4.9 million or 618.4% mainly due to the higher revenue.

B2. Review of Current Financial Quarter Performance against Preceding Quarter

	Individual Financial Quarter Ended		% change
	31.03.2022 RM'000	31.12.2021 RM'000	
Revenue			
Marketing and Distribution	19,656	20,207	(2.7%)
Manufacturing	24,603	26,159	(5.9%)
Services	11,408	10,954	4.1%
High Voltage System	28,625	63,390	(54.8%)
Total	84,292	120,710	(30.2%)
Profit before Tax ("PBT")			
Marketing and Distribution	2,115	2,360	(10.4%)
Manufacturing	(1,078)	1,211	(189.0%)
Services	3,718	4,177	(11.0%)
High Voltage System	568	3,579	(84.1%)
Total	5,323	11,327	(53.0%)

The Group's revenue for the current quarter decreased by RM36.4 million or 30.2% against the preceding quarter due to lower revenues from the High Voltage System, Manufacturing and Marketing and Distribution segments.

The Group's PBT for the current quarter decreased by RM6.0 million or 53.0% against the preceding quarter mainly due to lower PBT from all four (4) of our Group's business segments.

(i) Marketing and Distribution Segment

The Group's revenue for the current quarter decreased by RM0.6 million or 2.7% mainly due to lower demand for our Power business.

The Group's PBT for the current quarter decreased by RM0.2 million or 10.4% mainly due to the lower revenues and higher distribution cost.

**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 RM1.6 mil or 5.9% mainly due to lower sales from elevator projects business. This was partially mitigated by the higher sales from the Busduct business.

The Group recorded LBT of RM1.1 million for the current quarter mainly due to lower revenues and higher administrative costs as well as stocks written off during the current quarter. However, these were partially mitigated by the higher realised gains on foreign exchange and higher scrap income.

(iii) Services Segment

The Group's revenue for the current quarter increased by RM0.5 million or 4.1% mainly due to higher maintenance contract revenue.

The Group's PBT for the current quarter decreased by RM0.5 million or 11.0% despite the higher revenue was mainly due to higher administrative and distribution expenses incurred during the current quarter.

(iv) High Voltage System Segment

The Group's revenue for the current quarter decreased by RM34.8 million or 54.8% mainly due to lower execution of Transmission Sub-Station projects.

The Group's PBT for the current quarter decreased by RM3.0 million or 84.1% mainly due to lower revenue from the execution of Transmission Sub-Station projects during the current quarter.

B3. Commentary on Prospects

Since 1 April 2022, Malaysia has transitioned to the endemic phase and it is anticipated that businesses will gradually recover. However, the Group expects the business environment to continue to be challenging due to rising materials and freight costs coupled with other inflationary factors which may impact the Group's profit margins. In addition, certain projects undertaken by the Group may be delayed due to the continual supply chain disruptions as a result of the recent lockdowns in certain parts of China.

The Group will navigate through this challenging period with the current order book and ongoing projects in hand, working closely with its suppliers and customers, keeping a tight rein on costs and improving operational efficiency.

Premised to 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 30 June 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 31.03.2022 RM'000	Cumulative Financial Quarter Ended 31.03.2022 RM'000
Current tax expense		
- current period	1,808	4,403
- prior period	-	(32)
	1,808	4,371
Deferred tax expense		
Origination and reversal of temporary differences		
- current period	(287)	65
- prior period	22	31
	(265)	96
Total current tax recognised in profit or loss	1,543	4,467
Share of tax of equity-accounted joint venture	3	(7)
Total tax expense	1,546	4,460

The effective tax rate of the Group for the cumulative financial quarter under review is 27% 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 31.03.2022		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Finance lease liabilities	863	229	1,092
Term loan	12,768	2,425	15,193
Unsecured			
Banker's acceptance	-	43,374	43,374
	13,631	46,028	59,659

	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
	16,392	19,010	35,402

**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

On 25 May 2022, the Board has declared and approved the payment of a first interim single-tier dividend of 1.75 sen per ordinary share (2Q 2021 : 1.50 sen per ordinary share) in respect of the financial year ending 30 September 2022.

The dividend will be paid on 7 July 2022 to shareholders registered in the Record of Depositors as at 16 June 2022.

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	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Profit for the period attributable to owners (RM'000)	3,496	3,997	10,921	10,027
Weighted average number of ordinary shares in issue ('000)	260,004	260,002	260,004	259,999
Basic EPS (sen)	1.34	1.54	4.20	3.86

**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	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Profit for the period attributable to owners (RM'000)	<u>3,496</u>	<u>3,997</u>	<u>10,921</u>	<u>10,027</u>
Weighted average number of ordinary shares in issue ('000)*(basic)	260,004	260,002	260,004	259,999
Effect of dilution of share options ('000)	<u>14,444</u>	<u>23,621</u>	<u>16,934</u>	<u>23,621</u>
Weighted average number of ordinary shares in issue ('000)*(diluted)	274,448	283,623	276,938	283,620
Diluted EPS (sen)	<u>1.28</u>	<u>1.41</u>	<u>3.94</u>	<u>3.54</u>

B11. Financial Instruments

Outstanding derivatives as at 31 March 2022 are as follow:

Type of derivatives	Contract / Notional Value RM'000	Fair Value RM'000
Less than 1 year: Forward exchange contract	<u>65,466</u>	<u>610</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	
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
Profit for the period is arrived after charging / (crediting):				
Interest expense on lease liabilities	41	36	86	83
Depreciation and amortisation	768	739	1,525	1,385
Depreciation for right-of-use assets	517	480	1,032	1,027
Reversal of allowance for impairment loss on trade receivables	(297)	(541)	(772)	(248)
Bad debts written off	80	603	83	674
Gain on disposal of property, plant and equipment	-	(3)	(105)	(3)
Inventories written down / (reversal of) to net realisable value	697	100	677	(723)
Property, plant and equipment written off	-	21	3	22
Foreign exchange gain, net	(1,296)	(41)	(2,215)	(108)
Reversal of allowance for foreseeable loss	(65)	(86)	(470)	(387)
Fair value loss /(gain) on forward exchange contracts, net	403	(950)	537	(935)
Provision for warranties-net	97	(2)	178	1

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 May 2022.