



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

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 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			
	30.09.2022	30.09.2021	Changes		30.09.2022	30.09.2021	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	<u>78,903</u>	<u>89,429</u>	(10,526)	(11.8%)	<u>363,583</u>	<u>302,305</u>	61,278	20.3%
Results from operating activities	3,257	7,903	(4,646)	(58.8%)	27,430	28,694	(1,264)	(4.4%)
Finance costs	(667)	(493)	(174)	(35.3%)	(2,623)	(2,077)	(546)	(26.3%)
Finance income	91	106	(15)	(14.2%)	337	215	122	56.7%
Net finance costs	(576)	(387)	(189)	(48.8%)	(2,286)	(1,862)	(424)	(22.8%)
Share of (loss)/profit of equity-accounted joint venture, net of tax	<u>(106)</u>	<u>(7)</u>	(99)	(1,414.3%)	<u>(233)</u>	<u>75</u>	(308)	(410.7%)
Profit before tax	2,575	7,509	(4,934)	(65.7%)	24,911	26,907	(1,996)	(7.4%)
Tax expense	<u>(762)</u>	<u>(1,061)</u>	299	28.2%	<u>(6,049)</u>	<u>(6,881)</u>	832	12.1%
Profit for the period	<u>1,813</u>	<u>6,448</u>	(4,635)	(71.9%)	<u>18,862</u>	<u>20,026</u>	(1,164)	(5.8%)



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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	
	30.09.2022	30.09.2021	RM'000	%	30.09.2022	30.09.2021	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	256	(34)	290	852.9%	579	154	425	276.0%
Cash flow hedge	31	(947)	978	103.3%	37	558	(521)	(93.4%)
Total other comprehensive income for the period	287	(981)	1,268	129.3%	616	712	(96)	(13.5%)
Total comprehensive income for the period	2,100	5,467	(3,367)	(61.6%)	19,478	20,738	(1,260)	(6.1%)
Profit attributable to:								
Owners of the Company	2,758	5,848	(3,090)	(52.8%)	18,702	19,888	(1,186)	(6.0%)
Non-controlling interests	(945)	600	(1,545)	(257.5%)	160	138	22	15.9%
	1,813	6,448	(4,635)	(71.9%)	18,862	20,026	(1,164)	(5.8%)



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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	
	30.09.2022	30.09.2021	RM'000	%	30.09.2022	30.09.2021	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Total comprehensive income attributable to:								
Owners of the Company	3,019	4,871	(1,852)	(38.0%)	19,260	20,585	(1,325)	(6.4%)
Non-controlling interests	(919)	596	(1,515)	(254.2%)	218	153	65	42.5%
	<u>2,100</u>	<u>5,467</u>	<u>(3,367)</u>	<u>(61.6%)</u>	<u>19,478</u>	<u>20,738</u>	<u>(1,260)</u>	<u>(6.1%)</u>
Earnings per share:								
- Basic (sen)	<u>1.06</u>	<u>2.25</u>	(1.19)	(52.9%)	<u>7.19</u>	<u>7.65</u>	(0.46)	(6.0%)
- Diluted (sen)	<u>1.03</u>	<u>2.15</u>	(1.12)	(52.1%)	<u>6.84</u>	<u>7.13</u>	(0.29)	(4.1%)

(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 30 September 2022

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Financial Quarter Ended		Changes	
	30.09.2022	30.06.2022	RM'000	%
	RM'000	RM'000		
Revenue	78,903	79,678	(775)	(1.0%)
Results from operating activities	3,257	6,154	(2,897)	(47.1%)
Finance costs	(667)	(465)	(202)	(43.4%)
Finance income	91	92	(1)	(1.1%)
Net finance costs	(576)	(373)	(203)	(54.4%)
Share of loss of equity-accounted joint venture, net of tax	(106)	(95)	(11)	(11.6%)
Profit before tax	2,575	5,686	(3,111)	(54.7%)
Tax expense	(762)	(820)	58	7.1%
Profit for the period	1,813	4,866	(3,053)	(62.7%)
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	256	224	32	14.3%
Cash flow hedge	31	-	31	100.0%
Total other comprehensive income for the period	287	224	63	28.1%
Total comprehensive income for the period	2,100	5,090	(2,990)	(58.7%)
Profit attributable to:				
Owners of the Company	2,758	5,023	(2,265)	(45.1%)
Non-controlling interests	(945)	(157)	(788)	(501.9%)
	1,813	4,866	(3,053)	(62.7%)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2022
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)
(The figures have not been audited)

	Individual Financial			
	Quarter Ended			
	30.09.2022	30.06.2022	Changes	
	RM'000	RM'000	RM'000	%
Total comprehensive income attributable to:				
Owners of the Company	3,019	5,225	(2,206)	(42.2%)
Non-controlling interests	(919)	(135)	(784)	(580.7%)
	<u>2,100</u>	<u>5,090</u>	(2,990)	(58.7%)
Earnings per share:				
- Basic (sen)	<u>1.06</u>	<u>1.93</u>	(0.87)	(45.1%)
- Diluted (sen)	<u>1.03</u>	<u>1.85</u>	(0.82)	(44.3%)

(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 30 September 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Note	30.09.2022 RM'000 (Unaudited)	30.09.2021 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		44,366	42,113
Right-of-use assets		8,096	9,551
Intangible assets		278	784
Investment properties		9,604	8,024
Investment in joint venture		1,535	1,768
Other investments		10	10
Deferred tax assets		5,243	5,142
Total non-current assets		69,132	67,392
Current assets			
Inventories		43,219	43,018
Contract assets		85,569	85,182
Trade and other receivables		60,301	57,166
Current tax assets		3,058	1,857
Deposits and prepayments		8,570	9,331
Derivative financial assets		71	1,209
Other investments		1,029	1,043
Cash and cash equivalents		77,230	60,957
Total current assets		279,047	259,763
TOTAL ASSETS		<u>348,179</u>	<u>327,155</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		69,381	69,305
Reserves		139,575	128,766
Total equity attributable to owners of the Company		208,956	198,071
Non-controlling interests		3,918	3,828
TOTAL EQUITY		<u>212,874</u>	<u>201,899</u>

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

EQUITY AND LIABILITIES (continued)	Note	30.09.2022 RM'000 (Unaudited)	30.09.2021 RM'000 (Audited)
Non-current liabilities			
Loans and borrowings	B7	13,389	14,715
Lease liabilities		2,266	2,917
Deferred tax liabilities		1,238	1,121
Total non-current liabilities		16,893	18,753
Current liabilities			
Loans and borrowings	B7	31,791	23,572
Lease liabilities		1,588	1,880
Provision for warranties		408	280
Trade and other payables		69,216	68,259
Contract liabilities		13,793	10,549
Current tax payable		1,004	1,783
Derivative financial liabilities		612	180
Total current liabilities		118,412	106,503
TOTAL LIABILITIES		135,305	125,256
TOTAL EQUITY AND LIABILITIES		348,179	327,155
Net assets per share attributable to equity holders of the Company (RM)		0.80	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 30 September 2022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

<u>Year Ended 30 September 2022</u>	< ----- 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			
At 1 October 2021	69,305	1,087	(37)	127,717	198,072	3,828	201,900
Foreign currency translation differences for foreign operation	-	521	-	-	521	58	579
Cash flow hedge	-	-	37	-	37	-	37
Profit for the year	-	-	-	18,702	18,702	160	18,862
Total comprehensive income for the year	-	521	37	18,702	19,260	218	19,478
Dividend to owners of the Company	-	-	-	(8,452)	(8,452)	-	(8,452)
Dividend to non-controlling interests	-	-	-	-	-	(128)	(128)
Share options exercised	76	-	-	-	76	-	76
Total transactions with owners of the Company	76	-	-	(8,452)	(8,376)	(128)	(8,504)
At 30 September 2022	69,381	1,608	-	137,967	208,956	3,918	212,874

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

(The figures have not been audited)

	< ----- Attributable to owners of the Company ----- >					Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	< ----- Non-Distributable ----- >			Distributable				
<u>Year Ended 30 September 2021</u>	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	-	-	139	-	-	139	15	154
Cash flow hedge	-	-	-	558	-	558	-	558
Profit for the year	-	-	-	-	19,888	19,888	138	20,026
Total comprehensive income for the year	-	-	139	558	19,888	20,585	153	20,738
Dividend to owners of the Company	-	-	-	-	(7,800)	(7,800)	-	(7,800)
Share options exercised	3	-	-	-	-	3	-	3
Own shares sold	-	5	-	-	4	9	-	9
Total transactions with owners of the Company	3	5	-	-	(7,796)	(7,788)	-	(7,788)
At 30 September 2021	69,305	-	1,087	(37)	127,717	198,072	3,828	201,900

(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 30 September 2022

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	12 Months Year Ended	
	30.09.2022	30.09.2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	24,911	26,907
Adjustments for:		
Amortisation of investment properties	118	110
Amortisation of development costs	60	47
Depreciation of property, plant and equipment	3,025	2,525
Depreciation of right-of-use assets	2,070	2,026
Finance costs	2,623	2,077
Finance income	(337)	(215)
Gain on disposal of property, plant and equipment	(318)	(118)
Gain on modification of right-of-use assets	(10)	(47)
Fair value loss/(gain) on forward exchange contracts - net	1,688	(1,509)
Property, plant and equipment written off	11	22
Provision for liquidated and ascertained damages	671	-
Provision of warranties-net	254	9
Reversal of foreseeable losses	(143)	(963)
Share of loss/(gain) of equity-accounted joint venture, net of tax	233	(75)
Unrealised foreign exchange gain	(403)	(126)
	<hr/>	<hr/>
Operating profit before changes in working capital	34,453	30,670
Changes in working capital:		
Inventories	(128)	(4,383)
Trade and other receivables, deposits and prepayments	337	(25,285)
Trade and other payables	418	7,103
	<hr/>	<hr/>
Cash generated from operations	35,080	8,105
Income taxes paid	(7,986)	(5,456)
Interest paid	(284)	(488)
Interest received	337	215
	<hr/>	<hr/>
Net cash generated from operating activities	27,147	2,376
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	(34)	(80)
Acquisition of investment properties	(1,698)	(1,570)
Proceeds from disposal of property, plant and equipment	318	142
Purchase of property, plant and equipment	(4,666)	(6,977)
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Net cash used in investing activities	(6,080)	(8,485)



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Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2022

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(The figures have not been audited)

	12 Months Year Ended	
	30.09.2022	30.09.2021
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the company	(8,452)	(7,800)
Dividend paid to non-controlling interest	(128)	-
Interest paid	(2,339)	(1,589)
Proceeds from loans and borrowings, net	6,973	6,946
Proceeds from share options exercised	76	3
Proceeds from sale of treasury shares	-	9
Repayment of lease liabilities, net	(2,169)	(2,265)
	<u>(6,039)</u>	<u>(4,696)</u>
Net cash used in financing activities		
	15,028	(10,805)
Net increase / (decrease) in cash and cash equivalents		
Foreign exchange differences on cash held	965	108
Cash and cash equivalents at beginning of the financial year	60,957	71,654
	<u>76,950</u>	<u>60,957</u>
Cash and cash equivalents at end of the financial year		
	76,950	60,957
Cash and cash equivalents included in the statements of cash flows comprise:		
Deposits	-	3,000
Cash and bank balances	60,471	51,782
Liquid investments	16,759	6,175
Bank overdrafts	(280)	-
	<u>76,950</u>	<u>60,957</u>

(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 May 2022, the Board of Directors (“Board”) has declared a first interim dividend of 1.75 sen per ordinary share in respect of the financial year ending 30 September 2022, which was paid on 7 July 2022.

A7. Segmental Information

Segmental information in respect of the Group’s business activities for the financial year to date ended 30 September 2022.

	Revenue RM’000	Profit / (Loss) before Tax RM’000
Marketing and Distribution	91,369	9,993
Manufacturing	98,734	(1,726)
Services	44,554	16,162
High Voltage System	128,926	482
Reportable segments	363,583	24,911

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

Balance purchase consideration for the acquisition of property, plant and equipment	RM’000 1,833
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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 30 September 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)	6,798
At 30 September 2022	<u>43,960</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
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 Acting Group Managing Director, Mr. Lim Joo Swee.
Platinum Victory Property Sdn Bhd	A company in which a director and substantial shareholder is the brother-in-law of the Executive Director, Mr. Lee Peng Sian.
QL Foods Sdn Bhd	A company in which a director and substantial shareholder is also the Non-Independent Non-Executive Director of EITA.
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 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 late Group Managing Director and substantial shareholder, Mr. Fu Wing Hoong (demised on 29 October 2022).

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

A12. Significant Related Party Transactions (continued)

	Cumulative Financial Quarter Ended	
	30.09.2022 RM’000	30.09.2021 RM’000
<u>CTL Automation Sdn Bhd</u>		
- Sales of electrical equipment	56	46
- Supply, install, testing and commissioning of electrical work and equipment	(5)	(4)
- Repairs and purchase of elevator parts	(821)	(874)
<u>Platinum Victory Property Sdn Bhd</u>		
- Supply, install, testing and commissioning of electrical works and equipment	30	400
<u>QL Foods Sdn Bhd</u>		
- Sales of electrical equipment	322	212
<u>QL Figo (Johor) Sdn Bhd</u>		
- Sales of electrical equipment	108	1,965
<u>Sigriner Automation (MFG) Sdn Bhd</u>		
- Provision of management services and rental	276	256
- Sales of elevator parts and components	387	138
- Sales of robotic	101	-
- Purchase of elevator controllers	(4,359)	(5,804)
<u>Tenaga Semesta (M) Sdn Bhd</u>		
- Sales of power equipment	826	232
- Purchase of mechanical and engineering works	(11)	(360)
- Purchase of electrical equipment	(5)	(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		%
	30.09.2022 RM'000	30.09.2021 RM'000		change	30.09.2022 RM'000	
Revenue						
Marketing and Distribution	24,483	17,529	39.7%	91,369	73,797	23.8%
Manufacturing	23,380	26,899	(13.1%)	98,734	113,235	(12.8%)
Services	11,142	8,115	37.3%	44,554	36,137	23.3%
High Voltage System	19,898	36,886	(46.1%)	128,926	79,136	62.9%
Total	78,903	89,429	(11.8%)	363,583	302,305	20.3%
Profit / (Loss) before Tax						
Marketing and Distribution	1,249	1,711	(27.0%)	9,993	7,754	28.9%
Manufacturing	337	1,128	(70.1%)	(1,726)	6,828	(125.3%)
Services	4,171	2,709	54.0%	16,162	11,345	42.5%
High Voltage System	(3,182)	1,961	(262.3%)	482	980	(50.8%)
Total	2,575	7,509	(65.7%)	24,911	26,907	(7.4%)

The Group's revenue for the current quarter decreased by RM10.5 million or 11.8% as compared to the preceding year corresponding quarter mainly due to lower revenues from the High Voltage System and Manufacturing segments but partly offset by the higher sales from the Marketing and Distribution and Services segments.

Cumulatively, the Group's revenue increased by RM61.3 million or 20.3% as compared to the preceding corresponding period mainly due to higher revenues from the High Voltage System, Marketing and Distribution and Services segments but partly offset by the lower sales from the Manufacturing segment.

The Group's profit before tax ("PBT") for the current quarter decreased by RM4.9 million or 65.7% mainly due to the loss before tax ("LBT") of High Voltage System segment as well as the lower PBT from the Manufacturing and Marketing and Distribution segments but partly offset by higher PBT from the Services segment.

Cumulatively, the Group's PBT decreased by RM2.0 million or 7.4% mainly due to the LBT of the Manufacturing and lower PBT from the High Voltage System segment. These were partly offset by the higher PBT from the Services and Marketing and Distribution 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
(continued)**

(i) Marketing and Distribution Segment

The Marketing and Distribution segment's revenue for the current quarter increased by RM7.0 million or 39.7% mainly due to higher sales from the Power and Control business.

The cumulative revenue for the Marketing and Distribution segment increased by RM17.6 million or 23.8% mainly due to the higher sales from the Power and Control business.

The Marketing and Distribution segment's PBT for the current quarter decreased by RM0.5 million or 27.0% mainly due to higher administrative and distribution expenses.

The cumulative PBT for the Marketing and Distribution segment increased by RM2.2 million or 28.9% mainly due to higher revenues, higher reversal of allowance for doubtful debts and higher reversal of provision of stock loss. However, these were partially mitigated by the higher administrative expenses and stock written off.

(ii) Manufacturing Segment

The Manufacturing segment's revenue for the current quarter decreased by RM3.5 million or 13.1% mainly due to the lower sales from elevator projects and Ballast business but partially offset by higher sales from the Busduct business.

The cumulative revenue for the Manufacturing segment decreased by RM14.5 million or 12.8% due to the lower sales from elevator projects and Ballast business but partially offset by higher sales from the Busduct business.

The Manufacturing segment's PBT for the current quarter decreased by RM0.8 million or 70.1% mainly due to lower revenues, higher fair value loss on derivative, higher administrative expenses and higher provision for stock loss.

The Manufacturing segment recorded cumulative LBT of RM1.7 million mainly due to the lower revenues, higher fair value loss on derivative, lower reversal of allowance for doubtful debts, higher stock written off as well as higher distribution and administrative expenses. However, these were partially mitigated by the higher gains on realised foreign exchange and lower bad debts written off.

**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)**

(iii) Service Segment

The Service segment's revenue for the current quarter increased by RM3.0 million or 37.3% mainly due to higher elevator service maintenance contract revenue.

The cumulative revenue for the Service segment increased by RM8.4 million or 23.3% mainly due to higher elevator service maintenance contract revenue.

The Service segment's PBT for the current quarter increased by RM1.5 million or 54.0% mainly due to higher revenues during the current quarter. However, this was partially mitigated by the higher provision for doubtful debts and higher administrative expenses.

The cumulative PBT for the Service segment increased by RM4.8 million or 42.5% mainly due to higher revenues. However, this was partially mitigated by the higher provision for doubtful debts and higher administrative expenses.

(iv) High Voltage System Segment

The High Voltage System segment's revenue for the current quarter decreased by RM17.0 million or 46.1% mainly due to lower execution of Transmission Sub-Station projects.

The cumulative revenue for the High Voltage System segment increased by RM49.8 million or 62.9% was due to higher execution of Transmission Sub-Station projects.

The High Voltage System segment recorded LBT of RM3.1 million in the current quarter as compare to the preceding year corresponding quarter. This was mainly due to the lower revenues and lower margins of projects executed during the current quarter. In addition, the LBT was also due to higher provision for liquidated ascertain damages.

The cumulative PBT for the High Voltage System segment decreased by RM0.5 million or 50.8% was mainly due to the execution of lower margins projects, higher provision for liquidated ascertain damages and higher administrative expenses.

**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
	30.09.2022 RM'000	30.06.2022 RM'000	
Revenue			
Marketing and Distribution	24,483	27,023	(9.4%)
Manufacturing	23,380	24,592	(4.9%)
Services	11,142	11,050	0.8%
High Voltage System	19,898	17,013	17.0%
Total	78,903	79,678	(1.0%)
Profit/(Loss) before Tax			
Marketing and Distribution	1,249	4,269	(70.7%)
Manufacturing	337	(2,196)	115.3%
Services	4,171	4,096	1.8%
High Voltage System	(3,182)	(483)	(558.8%)
Total	2,575	5,686	(54.7%)

The Group's revenue for the current quarter decreased by RM0.8 million or 1.0% against the preceding quarter mainly due to lower revenues from the Marketing and Distribution, and Manufacturing segments.

The Group's PBT for the current quarter decreased by RM3.1 million or 54.7% against the preceding quarter mainly due to lower PBT from the Marketing and Distribution segment and the LBT in the High Voltage System segment.

(i) Marketing and Distribution Segment

The Marketing and Distribution segment's revenue for the current quarter decreased by RM2.5 million or 9.4% mainly due to lower local demand for the Power and Control business.

The Marketing and Distribution segment's PBT for the current quarter decreased by RM3.0 million or 70.7% mainly due to the lower revenues, higher administrative expenses and higher distribution expenses.

(ii) Manufacturing Segment

The Manufacturing segment's revenue for the current quarter decreased by RM1.2 million or 4.9% mainly due to the lower sales from elevator projects business but was offset by higher sales from Busduct business.

**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 (cont'd)

The Manufacturing segment recorded PBT of RM0.3 million for the current quarter as compared to the LBT for the preceding quarter. This was mainly due to the better margins from the elevator projects, lower administrative expenses and lower distribution cost.

(iii) Services Segment

The Service segment's revenue for the current quarter increased marginally by RM0.1 million or 0.8% mainly due to higher elevator maintenance work.

The Service segment's PBT for the current quarter increased by RM0.1 million or 1.8% mainly due to the higher elevator maintenance work.

(iv) High Voltage System Segment

The High Voltage System segment's revenue for the current quarter increased by RM2.9 million or 17.0% mainly due to faster execution of Transmission Sub-Station projects.

The High Voltage System segment's LBT for the current quarter increased by RM2.7 million or 558.8% mainly due to the higher materials and subcontractor cost and provision for liquidated ascertain damages for projects.

B3. Commentary on Prospects

The Group expects to continue facing some challenges, such as the inflationary pressure on operational cost, raising interest rates and supply chain disruption due to China's strict pandemic control measures. In addition, the weakening of the Ringgit Malaysia against other currencies such as the USD may continue to impact the Group's financial performance.

However, the Group will navigate through this challenging period and take the necessary steps to mitigate these risks as much as possible as well as improving operational efficiency.

With the current order book as well as ongoing projects in hand and barring any unforeseen circumstances, the Board is cautiously optimistic of the Group's financial performance for the current financial quarter ending 31 December 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 30.09.2022 RM'000	Cumulative Financial Quarter Ended 30.09.2022 RM'000
Current tax expense		
- current period	985	6,699
- prior period	(2)	(697)
	983	6,002
Deferred tax expense		
Origination and reversal of temporary differences		
- current period	(195)	(104)
- prior period	(26)	151
	(221)	47
Total current tax recognised in profit or loss	762	6,049
Share of tax of equity-accounted joint venture	(87)	(59)
Total tax expense	675	5,990

The effective tax rate of the Group for the cumulative financial quarter under review is 24% which is similar to the statutory tax rate of 24%.

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 30.09.2022		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Finance lease liabilities	1,158	337	1,495
Term loans	12,231	2,426	14,657
Unsecured			
Banker's acceptances	-	16,148	16,148
Bank overdrafts	-	280	280
Revolving credit	-	12,600	12,600
	13,389	31,791	45,180

	As at 30.09.2021		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Finance lease liabilities	723	169	892
Term Loans	13,992	2,388	16,380
Unsecured			
Banker's acceptances	-	13,765	13,765
Bank overdrafts	-	-	-
Revolving credit	-	7,250	7,250
	14,715	23,572	38,287

**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 24 November 2022, the Board has declared and approved the payment of a second interim single-tier dividend of 1.50 sen per ordinary share (2021: 1.5 sen per ordinary share) in respect of the financial year ending 30 September 2022.

The dividend will be paid on 12 January 2023 to shareholders registered in the Record of Depositors as at 16 December 2022. With this payment of second interim dividend, the total payment of dividends by the Company for the financial year ended 30 September 2022 amounts to 3.25 sen per ordinary share.

B10. Earnings per Ordinary Share

(a) Basic earnings per ordinary share (“EPS”)

The calculation of EPS was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares in issue during the financial period.

	Individual Financial Quarter Ended		Year-to-date Ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Profit for the period attributable to owners (RM'000)	<u>2,758</u>	<u>5,848</u>	<u>18,702</u>	<u>19,888</u>
Weighted average number of ordinary shares in issue ('000)	260,113	260,004	260,031	260,001
Basic EPS (sen)	<u>1.06</u>	<u>2.25</u>	<u>7.19</u>	<u>7.65</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	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Profit for the period attributable to owners (RM'000)	<u>2,758</u>	<u>5,848</u>	<u>18,702</u>	<u>19,888</u>
Weighted average number of ordinary shares in issue ('000)*(basic)	260,113	260,004	260,031	260,001
Effect of dilution of share options ('000)	<u>6,822</u>	<u>12,221</u>	<u>13,537</u>	<u>18,759</u>
Weighted average number of ordinary shares in issue ('000)*(diluted)	266,935	272,225	273,568	278,760
Diluted EPS (sen)	<u>1.03</u>	<u>2.15</u>	<u>6.84</u>	<u>7.13</u>

B11. Financial Instruments

Outstanding derivatives as at 30 September 2022 are as follow:

Type of derivatives	Contract / Notional Value RM'000	Fair Value RM'000
Less than 1 year: Forward exchange contract	<u>74,060</u>	<u>(541)</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	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Profit for the period is arrived after charging / (crediting):				
Bad debts written off	6	536	92	1,398
Depreciation and amortisation	853	686	3,203	2,682
Depreciation for right-of-use assets	515	504	2,070	2,026
Fair value loss /(gain) on forward exchange contracts, net	634	(254)	1,688	(1,509)
Foreign exchange gain, net	(628)	(1,030)	(3,488)	(2,049)
Gain on disposal of property, plant and equipment	(11)	(112)	(318)	(118)
Interest expense on lease liabilities	35	40	163	192
Inventories written down to net realisable value	371	168	1,242	333
Property, plant and equipment written off	-	-	11	22
Provision for warranties-net	48	4	254	9
Provision for / (Reversal of) foreseeable loss	231	(627)	(143)	(963)
Provision for / (Reversal of) impairment loss on receivables	804	(843)	(123)	(1,700)

B13. Authority for Issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Directors dated 24 November 2022.