



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

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 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			
	31.12.2022	31.12.2021	Changes		31.12.2022	31.12.2021	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	<u>73,023</u>	<u>120,710</u>	(47,687)	(39.5%)	<u>73,023</u>	<u>120,710</u>	(47,687)	(39.5%)
Results from operating activities	2,686	12,095	(9,409)	(77.8%)	2,686	12,095	(9,409)	(77.8%)
Finance costs	(560)	(795)	235	29.6%	(560)	(795)	235	29.6%
Finance income	124	65	59	90.8%	124	65	59	90.8%
Net finance costs	(436)	(730)	294	40.3%	(436)	(730)	294	40.3%
Share of profit / (loss) of equity-accounted joint venture, net of tax	<u>43</u>	<u>(38)</u>	81	213.2%	<u>43</u>	<u>(38)</u>	81	213.2%
Profit before tax	2,293	11,327	(9,034)	(79.8%)	2,293	11,327	(9,034)	(79.8%)
Tax expense	(685)	(2,924)	2,239	76.6%	(685)	(2,924)	2,239	76.6%
Profit for the period	<u>1,608</u>	<u>8,403</u>	(6,795)	(80.9%)	<u>1,608</u>	<u>8,403</u>	(6,795)	(80.9%)



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

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 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	
	31.12.2022	31.12.2021	RM'000	%	31.12.2022	31.12.2021	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
Other comprehensive income, net of tax								
Foreign currency translation differences								
for foreign operations	119	27	92	340.7%	119	27	92	340.7%
Cash flow hedge	-	45	(45)	(100.0%)	-	45	(45)	(100.0%)
Total other comprehensive income for the period	119	72	47	65.3%	119	72	47	65.3%
Total comprehensive income for the period	1,727	8,475	(6,748)	(79.6%)	1,727	8,475	(6,748)	(79.6%)
Profit attributable to:								
Owners of the Company	1,919	7,425	(5,506)	(74.2%)	1,919	7,425	(5,506)	(74.2%)
Non-controlling interests	(311)	978	(1,289)	(131.8%)	(311)	978	(1,289)	(131.8%)
	1,608	8,403	(6,795)	(80.9%)	1,608	8,403	(6,795)	(80.9%)



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

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

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			
	31.12.2022	31.12.2021	Changes		31.12.2022	31.12.2021	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Total comprehensive income attributable to:								
Owners of the Company	2,026	7,494	(5,468)	(73.0%)	2,026	7,494	(5,468)	(73.0%)
Non-controlling interests	(299)	981	(1,280)	(130.5%)	(299)	981	(1,280)	(130.5%)
	<u>1,727</u>	<u>8,475</u>	<u>(6,748)</u>	<u>(79.6%)</u>	<u>1,727</u>	<u>8,475</u>	<u>(6,748)</u>	<u>(79.6%)</u>
Earnings per share:								
- Basic (sen)	<u>0.74</u>	<u>2.86</u>	<u>(2.12)</u>	<u>(74.1%)</u>	<u>0.74</u>	<u>2.86</u>	<u>(2.12)</u>	<u>(74.1%)</u>
- Diluted (sen)	<u>0.72</u>	<u>2.66</u>	<u>(1.94)</u>	<u>(72.9%)</u>	<u>0.72</u>	<u>2.66</u>	<u>(1.94)</u>	<u>(72.9%)</u>

(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 2022 and the accompanying explanatory notes attached to these interim financial statements.)

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

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Financial Quarter Ended		Changes	
	31.12.2022	30.09.2022	RM'000	%
	RM'000	RM'000		
Revenue	73,023	78,903	(5,880)	(7.5%)
Results from operating activities	2,686	3,257	(571)	(17.5%)
Finance costs	(560)	(667)	107	16.0%
Finance income	124	91	33	36.3%
Net finance costs	(436)	(576)	140	24.3%
Share of profit / (loss) of equity-accounted joint venture, net of tax	43	(106)	149	140.6%
Profit before tax	2,293	2,575	(282)	(11.0%)
Tax expense	(685)	(762)	77	10.1%
Profit for the period	1,608	1,813	(205)	(11.3%)
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	119	256	(137)	(53.5%)
Cash flow hedge	-	31	(31)	(100.0%)
Total other comprehensive income for the period	119	287	(168)	(58.5%)
Total comprehensive income for the period	1,727	2,100	(373)	(17.8%)
Profit attributable to:				
Owners of the Company	1,919	2,758	(839)	(30.4%)
Non-controlling interests	(311)	(945)	634	67.1%
	1,608	1,813	(205)	(11.3%)

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

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

(The figures have not been audited)

	Individual Financial			
	Quarter Ended			
	31.12.2022	30.09.2022	Changes	
	RM'000	RM'000	RM'000	%
Total comprehensive income attributable to:				
Owners of the Company	2,026	3,019	(993)	(32.9%)
Non-controlling interests	(299)	(919)	620	67.5%
	<u>1,727</u>	<u>2,100</u>	(373)	(17.8%)
Earnings per share:				
- Basic (sen)	<u>0.74</u>	<u>1.06</u>	(0.32)	(30.2%)
- Diluted (sen)	<u>0.72</u>	<u>1.03</u>	(0.31)	(30.1%)

(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 2022 and the accompanying explanatory notes attached to these interim financial statements.)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Note	31.12.2022 RM'000 (Unaudited)	30.09.2022 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		44,183	44,042
Right-of-use assets		7,988	8,420
Intangible assets		263	278
Investment properties		9,606	9,604
Investment in joint venture		1,578	1,535
Other investments		10	10
Deferred tax assets		5,377	5,243
Total non-current assets		69,005	69,132
Current assets			
Inventories		47,049	43,219
Contract assets		66,905	82,860
Trade and other receivables		68,544	61,234
Current tax assets		3,328	3,058
Deposits and prepayments		10,514	10,094
Derivative financial assets		-	71
Other investments		1,048	1,029
Cash and cash equivalents		69,618	77,230
Total current assets		267,006	278,795
TOTAL ASSETS		<u>336,011</u>	<u>347,927</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		69,382	69,382
Reserves		141,601	139,575
Total equity attributable to owners of the Company		210,983	208,957
Non-controlling interests		3,491	3,917
TOTAL EQUITY		<u>214,474</u>	<u>212,874</u>

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

EQUITY AND LIABILITIES (continued)	Note	31.12.2022 RM'000 (Unaudited)	30.09.2022 RM'000 (Audited)
Non-current liabilities			
Loans and borrowings	B7	2,618	13,389
Lease liabilities		2,188	2,266
Deferred tax liabilities		704	1,238
Total non-current liabilities		5,510	16,893
Current liabilities			
Loans and borrowings	B7	41,919	31,791
Lease liabilities		1,529	1,588
Provision for warranties		729	408
Trade and other payables		57,007	53,967
Contract liabilities		11,990	28,790
Current tax payable		697	1,004
Derivative financial liabilities		2,156	612
Total current liabilities		116,027	118,160
TOTAL LIABILITIES		121,537	135,053
TOTAL EQUITY AND LIABILITIES		336,011	347,927
Net assets per share attributable to equity holders of the Company (RM)		0.81	0.80

(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 2022 and the accompanying explanatory notes attached to these interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 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	Retained Profits RM'000			
<u>Period Ended 31 December 2022</u>						
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 for the period	-	-	1,919	1,919	(311)	1,608
Total comprehensive income 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

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 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
	Share Capital RM'000	Translation Reserve RM'000	Hedging Reserve RM'000	Retained Profits RM'000			
<u>Period Ended 31 December 2021</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	-	24	-	-	24	3	27
Cash flow hedge	-	-	45	-	45	-	45
Profit for the period	-	-	-	7,425	7,425	978	8,403
Total comprehensive income for the period	-	24	45	7,425	7,494	981	8,475
Dividends to non-controlling interests	-	-	-	-	-	(128)	(128)
Total transactions with owners of the Company	-	-	-	-	-	(128)	(128)
At 31 December 2021	69,305	1,111	8	135,141	205,565	4,681	210,246

(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 2022 and the accompanying explanatory notes attached to these interim financial statements.)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	3 Months Period Ended	
	31.12.2022	31.12.2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,293	11,327
Adjustments for:		
Amortisation of investment properties	32	29
Amortisation of development costs	15	14
Depreciation of property, plant and equipment	823	714
Depreciation of right-of-use assets	529	515
Finance costs	560	795
Finance income	(124)	(65)
Gain on disposal of property, plant and equipment	-	(105)
Gain on modification of right-of-use assets	(1)	-
Fair value loss on forward exchange contracts - net	1,615	134
Property, plant and equipment written off	-	3
Provision of warranties-net	376	81
Reversal of foreseeable losses	(107)	(405)
Share of (gain) / loss of equity-accounted joint venture, net of tax	(43)	38
Unrealised foreign exchange loss	77	86
	<hr/>	<hr/>
Operating profit before changes in working capital	6,045	13,161
Changes in working capital:		
Inventories	(3,814)	(1,527)
Trade and other receivables, deposits and prepayments	8,042	5,604
Trade and other payables	(13,594)	11,632
	<hr/>	<hr/>
Cash (used in) / generated from operations	(3,321)	28,870
Income taxes paid	(1,934)	(2,044)
Interest paid	(4)	(61)
Interest received	124	65
	<hr/>	<hr/>
Net cash (used in) / generated from operating activities	(5,135)	26,830
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	(1)	(33)
Acquisition of investment properties	(33)	(169)
Proceeds from disposal of property, plant and equipment	-	105
Purchase of property, plant and equipment	(365)	(821)
	<hr/>	<hr/>
Net cash used in investing activities	(399)	(918)
	<hr/>	<hr/>

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(The figures have not been audited)

	3 Months Period Ended	
	31.12.2022	31.12.2021
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interest	(127)	(128)
Interest paid	(556)	(734)
(Repayments of) / Proceeds from loans and borrowings, net	(588)	22,845
Repayment of lease liabilities, net	(568)	(582)
Net cash (used in) / generated from financing activities	(1,839)	21,401
Net (decrease) / increase in cash and cash equivalents	(7,373)	47,313
Foreign exchange differences on cash held	29	(24)
Cash and cash equivalents at beginning of the financial year	76,950	60,957
Cash and cash equivalents at end of the financial period	69,606	108,246
Cash and cash equivalents included in the statements of cash flows comprise:		
Cash and bank balances	52,742	100,763
Liquid investments	16,876	7,709
Bank overdrafts	(12)	(226)
	69,606	108,246

(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 2022 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 2022.

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 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*

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 24 November 2022, the Board of Directors (“Board”) has declared a second interim dividend of 1.5 sen per ordinary share in respect of the financial year ended 30 September 2022, which was paid on 12 January 2023.

A7. Segmental Information

Segmental information in respect of the Group’s business activities for the financial year to date ended 31 December 2022.

	Revenue RM’000	Profit / (Loss) before Tax RM’000
Marketing and Distribution	24,475	2,713
Manufacturing	29,304	(2,600)
Services	9,135	3,426
High Voltage System	10,109	(1,246)
Reportable segments	73,023	2,293

A8. Subsequent Material Event

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

A9. Changes in the Composition of the Group

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

A10. Capital Commitments

The Group’s outstanding capital commitments as at 31 December 2022 not provided for in the financial statements are as follows:

Balance purchase consideration for the acquisition of property, plant and equipment	RM’000 1,025
---	------------------------

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 2022	522,809
Increase in borrowing facilities	-
At 31 December 2022	<u>522,809</u>

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

	RM'000
At 1 October 2022	50,854
Upliftment	(6,414)
At 31 December 2022	<u>44,440</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.
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.

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

A12. Significant Related Party Transactions (continued)

	Cumulative Financial Quarter Ended	
	31.12.2022 RM’000	31.12.2021 RM’000
<u>CTL Automation Sdn Bhd</u>		
- Sales of electrical equipment	5	13
- Repairs and purchase of elevator parts	(146)	(419)
<u>Sigriner Automation (MFG) Sdn Bhd</u>		
- Provision of management services and rental	75	69
- Sales of elevator parts and components	19	109
- Sales of robotic	(50)	-
- Purchase of elevator controllers	(1,981)	(1,396)

[The rest of the page has been intentionally left blank]

**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
	31.12.2022 RM'000	31.12.2021 RM'000		31.12.2022 RM'000	31.12.2021 RM'000	
Revenue						
Marketing and Distribution	24,475	20,207	21.1%	24,475	20,207	21.1%
Manufacturing	29,304	26,159	12.0%	29,304	26,159	12.0%
Services	9,135	10,954	(16.6%)	9,135	10,954	(16.6%)
High Voltage System	10,109	63,390	(84.1%)	10,109	63,390	(84.1%)
Total	73,023	120,710	(39.5%)	73,023	120,710	(39.5%)
Profit / (Loss) before Tax						
Marketing and Distribution	2,713	2,360	15.0%	2,713	2,360	15.0%
Manufacturing	(2,600)	1,211	(314.7%)	(2,600)	1,211	(314.7%)
Services	3,426	4,177	(18.0%)	3,426	4,177	(18.0%)
High Voltage System	(1,246)	3,579	(134.8%)	(1,246)	3,579	(134.8%)
Total	2,293	11,327	(79.8%)	2,293	11,327	(79.8%)

The Group's revenue for the current quarter decreased by RM47.7 million or 39.5% as compared to the preceding year corresponding quarter mainly due to lower revenues from the High Voltage System and Services segments. However, this was mitigated by the higher sales from the Marketing and Distribution and Manufacturing segments.

The Group's profit before tax ("PBT") for the current quarter decreased by RM9.0 million or 79.8% mainly due to the loss before tax ("LBT") from the High Voltage System and Manufacturing segments as well as the lower PBT from the Services segment but partly offset by higher PBT from the Marketing and Distribution segment.

**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 RM4.3 million or 21.1% mainly due to higher sales from the Power and Control business.

The Marketing and Distribution segment's PBT for the current quarter increased by RM0.4 million or 15.0% mainly due to higher revenues during the current quarter. However, this was partially mitigated by the higher provision of stock loss, higher fair value loss on derivative and higher distribution expenses.

(ii) Manufacturing Segment

The Manufacturing segment's revenue for the current quarter increased by RM3.1 million or 12.0% mainly due to the higher sales from Busduct business and Ballast business but partially offset by lower sales from the elevator projects.

The Manufacturing segment recorded LBT of RM2.6 million in the current quarter despite higher revenues. This was mainly due to higher fair value loss on derivative, lower realised gains on foreign exchange, higher provision for doubtful debts and higher provision for stock loss.

(iii) Service Segment

The Service segment's revenue for the current quarter decreased by RM1.8 million or 16.6% mainly due to lower elevator service and repair maintenance work.

The Service segment's PBT for the current quarter decreased by RM0.8 million or 18.0% mainly due to lower revenues during the current quarter and higher administrative expenses.

(iv) High Voltage System Segment

The High Voltage System segment's revenue for the current quarter decreased by RM53.3 million or 84.1% mainly due to lower execution of Transmission Sub-Station projects.

The High Voltage System segment recorded LBT of RM1.2 million in the current quarter mainly due to the lower revenues and lower margins of projects executed during the current quarter.

**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
	31.12.2022 RM'000	30.09.2022 RM'000	
Revenue			
Marketing and Distribution	24,475	24,483	*
Manufacturing	29,304	23,380	25.3%
Services	9,135	11,142	(18.0%)
High Voltage System	10,109	19,898	(49.2%)
Total	73,023	78,903	(7.5%)
Profit / (Loss) before Tax			
Marketing and Distribution	2,713	1,249	117.2%
Manufacturing	(2,600)	337	(871.5%)
Services	3,426	4,171	(17.9%)
High Voltage System	(1,246)	(3,182)	60.8%
Total	2,293	2,575	(11.0%)

Note:

* *Less than 0.1%.*

The Group's revenue for the current quarter decreased by RM5.9 million or 7.5% against the preceding quarter mainly due to lower revenues from the High Voltage System and Services segments but partly offset by the higher sales from the Manufacturing segment.

The Group's PBT for the current quarter decreased by RM0.3 million or 11.0% against the preceding quarter mainly due to lower PBT from Services segment and LBT recorded in the Manufacturing and High Voltage System segments but partly offset by the higher PBT from the Marketing and Distribution segment.

(i) Marketing and Distribution Segment

The Marketing and Distribution segment's revenue for the current quarter has been relatively stable as compared to the preceding quarter.

The Marketing and Distribution segment's PBT for the current quarter increased by RM1.5 million or 117.2% mainly due to the lower administrative expenses and lower distribution expenses.

(ii) Manufacturing Segment

The Manufacturing segment's revenue for the current quarter increased by RM5.9 million or 25.3% mainly due to the higher sales from all three manufacturing businesses.

**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 LBT of RM2.6 million for the current quarter despite the higher revenues. This was mainly due to higher fair value loss on derivative, higher unrealised loss on foreign exchange and higher allowance for doubtful debts.

(iii) Services Segment

The Service segment's revenue for the current quarter decreased by RM2.0 million or 18.0% mainly due to lower elevator service and repair maintenance work.

The Service segment's PBT for the current quarter decreased by RM0.7 million or 17.9% in line with the lower revenue for the current quarter.

(iv) High Voltage System Segment

The High Voltage System segment's revenue for the current quarter decreased by RM9.8 million or 49.2% mainly due to lower execution of Transmission Sub-Station projects.

The High Voltage System segment's LBT for the current quarter decreased by RM1.9 million or 60.8% mainly due to higher project margins and absence of provision for liquidated ascertained damages for current quarter. However, these was partially mitigated by higher administrative expenses.

B3. Commentary on Prospects

The Malaysia economy is expected to moderate in 2023 amid challenging external conditions and slowing domestic demand. The Group expects inflationary pressure on operating costs to continue coupled with the risk of an economic recession in the global economy. In addition, the fluctuations of the Ringgit Malaysia against other currencies such as the USD and the Renminbi may continue to impact the Group's financial performance.

However, the Group will continue to adopt prudent approach in its business operations and navigate through this challenging period. The Group will also take the necessary steps to mitigate these risks as much as possible while improving operational efficiency.

Taking into consideration the challenging outlook and margin compression due to inflationary pressures, the Board expects the Group's financial performance to remain positive for the current financial quarter ending 31 March 2023.

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

B4. Profit Forecast

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

B5. Tax Expense

	Individual Financial Quarter Ended 31.12.2022 RM'000	Cumulative Financial Quarter Ended 31.12.2022 RM'000
Current tax expense		
- current period	1,250	1,250
- prior period	105	105
	1,355	1,355
Deferred tax expense		
Origination and reversal of temporary differences		
- current period	(757)	(757)
- prior period	87	87
	(670)	(670)
Total current tax recognised in profit or loss	685	685
Share of tax of equity-accounted joint venture	15	15
Total tax expense	700	700

The effective tax rate of the Group for the cumulative financial quarter under review is 30% which is higher than the statutory tax rate of 24%. The higher effective tax rate was mainly due to under provision of tax expenses in prior period for the Group's overseas operations.

B6. Status of Corporate Proposals Announced

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

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

B7. Group Borrowings

The Group's borrowings are as follows:

	As at 31.12.2022		
	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 acceptances	-	13,123	13,123
Bank overdrafts	-	12	12
Revolving credit	-	15,700	15,700
	2,618	41,919	44,537

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

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

B8. Change in Material Litigations

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

B9. Proposed Dividend

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

B10. Earnings per Ordinary Share

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

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

	Individual Financial Quarter Ended		Year-to-date Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profit for the period attributable to owners (RM'000)	<u>1,919</u>	<u>7,425</u>	<u>1,919</u>	<u>7,425</u>
Weighted average number of ordinary shares in issue ('000)	260,113	260,004	260,113	260,004
Basic EPS (sen)	<u>0.74</u>	<u>2.86</u>	<u>0.74</u>	<u>2.86</u>

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

B10. Earnings per Ordinary Share (continued)

(b) Diluted earnings per ordinary share (“DEPS”)

The calculation of DEPS was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares that would have been in issue upon full exercise of the warrants, adjusted for the number of such shares that have been exercised.

	Individual Financial Quarter Ended		Year-to-date Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profit for the period attributable to owners (RM'000)	<u>1,919</u>	<u>7,425</u>	<u>1,919</u>	<u>7,425</u>
Weighted average number of ordinary shares in issue ('000)*(basic)	260,113	260,004	260,113	260,004
Effect of dilution of share options ('000)	<u>5,767</u>	<u>19,475</u>	<u>5,767</u>	<u>19,475</u>
Weighted average number of ordinary shares in issue ('000)*(diluted)	265,880	279,479	265,880	279,479
Diluted EPS (sen)	<u>0.72</u>	<u>2.66</u>	<u>0.72</u>	<u>2.66</u>

B11. Financial Instruments

Outstanding derivatives as at 31 December 2022 are as follow:

Type of derivatives	Contract / Notional Value RM'000	Fair Value RM'000
Less than 1 year: Forward exchange contract	<u>76,142</u>	<u>(2,156)</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	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Profit for the period is arrived after charging / (crediting):				
Bad debts written off	22	3	22	3
Depreciation and amortisation	870	757	870	757
Depreciation for right-of-use assets	529	515	529	515
Fair value loss on forward exchange contracts, net	1,615	134	1,615	134
Foreign exchange gain, net	(112)	(919)	(112)	(919)
Gain on disposal of property, plant and equipment	-	(105)	-	(105)
Interest expense on lease liabilities	31	45	31	45
Inventories written down / (reversal of) to net realisable value	628	(20)	628	(20)
Property, plant and equipment written off	-	3	-	3
Provision for warranties-net	376	81	376	81
Reversal of foreseeable loss	(107)	(405)	(107)	(405)
Provision for / (Reversal of) impairment loss on receivables	558	(475)	558	(475)

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 February 2023.