



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

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2024

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			
	31.03.2024	31.03.2023	Changes		31.03.2024	31.03.2023	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	85,142	71,396	13,746	19.3%	199,759	144,419	55,340	38.3%
Results from operating activities	2,422	271	2,151	793.7%	13,139	2,957	10,182	344.3%
Finance costs	(786)	(745)	(41)	(5.5%)	(1,564)	(1,305)	(259)	(19.8%)
Finance income	102	92	10	10.9%	249	216	33	15.3%
Net finance costs	(684)	(653)	(31)	(4.7%)	(1,315)	(1,089)	(226)	(20.8%)
Share of loss of equity-accounted joint venture, net of tax	(37)	(237)	200	84.4%	(98)	(194)	96	49.5%
Profit / (Loss) before tax	1,701	(619)	2,320	374.8%	11,726	1,674	10,052	600.5%
Tax expense	(1,903)	(382)	(1,521)	(398.2%)	(3,801)	(1,067)	(2,734)	(256.2%)
(Loss) / Profit for the period	(202)	(1,001)	799	79.8%	7,925	607	7,318	1,205.6%



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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	
	31.03.2024	31.03.2023	RM'000	%	31.03.2024	31.03.2023	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	60	163	(103)	(63.2%)	180	282	(102)	(36.2%)
Total other comprehensive income for the period	60	163	(103)	(63.2%)	180	282	(102)	(36.2%)
Total comprehensive (expenses) / income for the period	<u>(142)</u>	<u>(838)</u>	696	83.1%	<u>8,105</u>	<u>889</u>	7,216	811.7%
Profit / (Loss) attributable to:								
Owners of the Company	1,671	1,066	605	56.8%	9,161	2,985	6,176	206.9%
Non-controlling interests	(1,873)	(2,067)	194	9.4%	(1,236)	(2,378)	1,142	48.0%
	<u>(202)</u>	<u>(1,001)</u>	799	79.8%	<u>7,925</u>	<u>607</u>	7,318	1,205.6%



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Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2024

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			
	31.03.2024	31.03.2023	Changes		31.03.2024	31.03.2023	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Total comprehensive income / (expenses)								
attributable to:								
Owners of the Company	1,725	1,213	512	42.2%	9,323	3,239	6,084	187.8%
Non-controlling interests	(1,867)	(2,051)	184	9.0%	(1,218)	(2,350)	1,132	48.2%
	<u>(142)</u>	<u>(838)</u>	696	83.1%	<u>8,105</u>	<u>889</u>	7,216	811.7%
Earnings per share:								
- Basic (sen)	<u>0.58</u>	<u>0.41</u>	0.17	41.5%	<u>3.34</u>	<u>1.15</u>	2.19	190.4%
- Diluted (sen)	<u>0.58</u>	<u>0.40</u>	0.18	45.0%	<u>3.34</u>	<u>1.13</u>	2.21	195.6%

(The unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2023 and the accompanying explanatory notes attached to these interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2024

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Financial			
	Quarter Ended			
	31.03.2024	31.12.2023	RM'000	%
Revenue	85,142	114,617	(29,475)	(25.7%)
Results from operating activities	2,422	10,717	(8,295)	(77.4%)
Finance costs	(786)	(778)	(8)	(1.0%)
Finance income	102	147	(45)	(30.6%)
Net finance costs	(684)	(631)	(53)	(8.4%)
Share of loss of equity-accounted joint venture, net of tax	(37)	(61)	24	39.3%
Profit before tax	1,701	10,025	(8,324)	(83.0%)
Tax expense	(1,903)	(1,898)	(5)	(0.3%)
(Loss) / Profit for the period	(202)	8,127	(8,329)	(102.5%)
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	60	120	(60)	(50.0%)
Total comprehensive (expenses) / income for the period	(142)	8,247	(8,389)	(101.7%)
Profit / (Loss) attributable to:				
Owners of the Company	1,671	7,490	(5,819)	(77.7%)
Non-controlling interests	(1,873)	637	(2,510)	(394.0%)
	(202)	8,127	(8,329)	(102.5%)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2024

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

(The figures have not been audited)

	Individual Financial			
	Quarter Ended			
	31.03.2024	31.12.2023	RM'000	%
	RM'000	RM'000	RM'000	
Total comprehensive income / (expenses)				
attributable to:				
Owners of the Company	1,725	7,598	(5,873)	(77.3%)
Non-controlling interests	(1,867)	649	(2,516)	(387.7%)
	<u>(142)</u>	<u>8,247</u>	(8,389)	(101.7%)
Earnings per share:				
- Basic (sen)	<u>0.58</u>	<u>2.87</u>	(2.29)	(79.8%)
- Diluted (sen)	<u>0.58</u>	<u>2.80</u>	(2.22)	(79.3%)

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

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Note	31.03.2024 RM'000 (Unaudited)	30.09.2023 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		43,821	44,447
Right-of-use assets		8,141	8,946
Intangible assets		195	225
Investment properties		9,485	9,482
Investment in joint venture		1,125	1,223
Deferred tax assets		6,454	6,305
Total non-current assets		69,221	70,628
Current assets			
Inventories		53,628	49,868
Contract assets		72,491	93,537
Trade and other receivables		95,725	70,681
Current tax assets		2,901	3,122
Deposits and prepayments		14,706	11,212
Derivative financial assets		165	2,599
Other investments		1,130	1,096
Cash and cash equivalents		68,732	60,534
Total current assets		309,478	292,649
TOTAL ASSETS		<u>378,699</u>	<u>363,277</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		98,569	69,382
Reserves		150,936	144,247
Total equity attributable to owners of the Company		249,505	213,629
Non-controlling interests		(560)	770
TOTAL EQUITY		<u>248,945</u>	<u>214,399</u>

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

EQUITY AND LIABILITIES (continued)	Note	31.03.2024 RM'000 (Unaudited)	30.09.2023 RM'000 (Audited)
Non-current liabilities			
Loans and borrowings	B7	9,543	10,542
Lease liabilities		2,008	2,566
Deferred income		192	222
Deferred tax liabilities		1,231	1,023
Total non-current liabilities		12,974	14,353
Current liabilities			
Loans and borrowings	B7	40,746	56,899
Lease liabilities		1,794	1,944
Deferred income		59	59
Provision for warranties		485	671
Trade and other payables		60,173	47,683
Contract liabilities		12,215	26,114
Current tax payable		1,284	968
Derivative financial liabilities		24	187
Total current liabilities		116,780	134,525
TOTAL LIABILITIES		<u>129,754</u>	<u>148,878</u>
TOTAL EQUITY AND LIABILITIES		<u>378,699</u>	<u>362,277</u>
Net assets per share attributable to equity holders of the Company (RM)		0.83	0.82

(The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2023 and the accompanying explanatory notes attached to these interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2024

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
	Non-Distributable	Distributable				
<u>Period Ended 31 March 2024</u>	Share Capital RM'000	Translation Reserve RM'000	Retained Profits RM'000			
At 1 October 2023	69,382	2,249	141,998	213,629	770	214,399
Foreign currency translation differences for foreign operation	-	162	-	162	18	180
Profit / (Loss) for the period	-	-	9,161	9,161	(1,236)	7,925
Total comprehensive income / (expenses) for the period	-	162	9,161	9,323	(1,218)	8,105
Dividends to owners of the Company	-	-	(2,634)	(2,634)	-	(2,634)
Dividends to non-controlling interests	-	-	-	-	(112)	(112)
Share options exercised	29,187	-	-	29,187	-	29,187
Total transactions with owners of the Company	29,187	-	(2,634)	26,553	(112)	26,441
At 31 March 2024	98,569	2,411	148,525	249,505	(560)	248,945

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2024

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>Period Ended 31 March 2023</u>	Share Capital RM'000	Translation Reserve RM'000	Retained Profits RM'000			
At 1 October 2022	69,382	1,608	137,967	208,957	3,917	212,874
Foreign currency translation differences for foreign operation	-	254	-	254	28	282
Profit / (Loss) for the period	-	-	2,985	2,985	(2,378)	607
Total comprehensive income / (expenses) for the period	-	254	2,985	3,239	(2,350)	889
Dividend to owners of the Company	-	-	(3,902)	(3,902)	-	(3,902)
Dividends to non-controlling interests	-	-	-	-	(127)	(127)
Total transactions with owners of the Company	-	-	(3,902)	(3,902)	(127)	(4,029)
At 31 March 2023	69,382	1,862	137,050	208,294	1,440	209,734

(The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2023 and the accompanying explanatory notes attached to these interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2024

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	6 Months Period Ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	11,726	1,674
Adjustments for:		
Allowance / (Reversal of allowance) for foreseeable losses	221	(168)
Amortisation of development costs	30	31
Amortisation of investment properties	79	64
Bad debts written off	-	177
Depreciation of property, plant and equipment	1,653	1,644
Depreciation of right-of-use assets	1,039	1,011
Fair value loss / (gain) on forward exchange contracts, net	2,271	(1,405)
Finance costs	1,564	1,305
Finance income	(249)	(216)
Gain on modification of right-of-use assets	(5)	(2)
(Gain) / Loss on disposal of property, plant and equipment	(20)	656
Provision for liquidated and ascertained damages	-	409
(Reversal of) / Provision for warranties, net	(107)	342
Share of loss of equity-accounted joint venture, net of tax	98	194
Unrealised foreign exchange (gain) / loss	(189)	138
	<hr/>	<hr/>
Operating profit before changes in working capital	18,111	5,854
Changes in working capital:		
Inventories	(3,736)	(2,707)
Trade and other receivables, deposits and prepayments	(4,586)	4,805
Trade and other payables	(4,451)	(14,152)
	<hr/>	<hr/>
Cash generated from / (used in) operations	5,338	(6,200)
Income taxes paid	(3,205)	(3,545)
Interest paid	(188)	(148)
Interest received	249	216
	<hr/>	<hr/>
Net cash generated from / (used in) operating activities	2,194	(9,677)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	(1)	(2)
Acquisition of investment properties	(82)	-
Proceeds from disposal of other investment	-	10
Proceeds from disposal of property, plant and equipment	20	3
Purchase of property, plant and equipment	(962)	(751)
	<hr/>	<hr/>
Net cash used in investing activities	(1,025)	(740)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2024

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(The figures have not been audited)

	6 Months Period Ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interest	(112)	(127)
Dividend paid to owners of the company	(2,634)	(3,902)
Interest paid	(1,376)	(1,158)
Proceeds from share options exercised	29,187	-
Repayment of from loans and borrowings, net	(16,469)	(115)
Repayment of lease liabilities, net	(1,001)	(1,058)
	<hr/>	<hr/>
Net cash generated from / (used in) financing activities	7,595	(6,360)
	<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents	8,764	(16,777)
Foreign exchange differences on cash held	119	180
Cash and cash equivalents at beginning of the financial year	59,668	76,950
	<hr/>	<hr/>
Cash and cash equivalents at end of the financial period	68,551	60,353
	<hr/>	<hr/>
Cash and cash equivalents included in the statements of cash flows comprise:		
Cash and bank balances	42,919	46,852
Liquid investments	25,813	14,285
Bank overdrafts	(181)	(784)
	<hr/>	<hr/>
	68,551	60,353
	<hr/>	<hr/>

(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2023 and the accompanying explanatory notes attached to these interim financial statements.)

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

A1. Basis of Preparation

The financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards 134 (“MFRS 134”) : Interim Financial Reporting, International Financial Reporting Standards 34 : Interim Financial Reporting, the requirements of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the requirements of the Companies Act 2016 in Malaysia, and should be read in conjunction with the audited financial statements for the financial year ended 30 September 2023.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) and have been adopted by the Group:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

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

The adoption of the abovementioned accounting standards and amendments does not have any material impact on the financial statements of the Group.

A2. Auditors’ Report on Preceding Annual Financial Statements

There was no qualification in the audit report of the preceding annual financial statements.

A3. Seasonality or Cyclical Factors

Save for certain business activities which are project based, our Group does not experience any material seasonality.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

During the current financial quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

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

A5. Nature and Amount of Changes in Estimates

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

A6. Dividends Paid and Distributed

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

A7. Segmental Information

Segmental information in respect of the Group’s business activities for the financial year to date ended 31 March 2024.

	Revenue RM’000	Profit / (Loss) before Tax RM’000
Marketing and Distribution	43,098	5,042
Manufacturing	69,970	(617)
Services	27,054	9,807
High Voltage System	59,637	(2,506)
Reportable segments	199,759	11,726

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 2024 not provided for in the financial statements are as follows:

Balance purchase consideration for the acquisition of property, plant and equipment	RM’000 971
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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 2023	497,809
Increase in borrowing facilities	-
At 31 March 2024	<u>497,809</u>

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

	RM’000
At 1 October 2023	61,307
Upliftment	(6,990)
At 31 March 2024	<u><u>54,317</u></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 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 a director is the Executive Director of EITA, the holding company of ESM.

	Cumulative Financial Quarter Ended	
	31.03.2024 RM’000	31.03.2023 RM’000
<u>CTL Automation Sdn Bhd</u>		
- Sales of electrical equipment	36	26
- Repairs and purchase of elevator parts	(441)	(257)
<u>Sigriner Automation (MFG) Sdn Bhd</u>		
- Provision of management services and rental	214	188
- Sales of elevator parts and components	79	195
- Purchase of robotic	-	(50)
- Purchase of elevator controllers	(489)	(2,580)

**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
	31.03.2024 RM'000	31.03.2023 RM'000		31.03.2024 RM'000	31.03.2023 RM'000	
Revenue						
Marketing and Distribution	22,046	22,300	(1.1%)	43,098	46,775	(7.9%)
Manufacturing	36,586	33,442	9.4%	69,970	62,746	11.5%
Services	14,543	10,031	45.0%	27,054	19,166	41.2%
High Voltage System	11,967	5,623	112.8%	59,637	15,732	279.1%
Total	85,142	71,396	19.3%	199,759	144,419	38.3%
Profit / (Loss) before Tax						
Marketing and Distribution	2,056	558	268.5%	5,042	3,271	54.1%
Manufacturing	(1,210)	2,782	(143.5%)	(617)	182	(439.0%)
Services	5,068	2,466	105.5%	9,807	5,892	66.4%
High Voltage System	(4,213)	(6,425)	34.4%	(2,506)	(7,671)	67.3%
Total	1,701	(619)	374.8%	11,726	1,674	600.5%

The Group's revenue for the current quarter increased by RM13.7 million or 19.3% as compared to the preceding year's corresponding quarter mainly due to higher revenue from the High Voltage System, Services and Manufacturing segments but partly offset by lower revenue from the Marketing and Distribution segment.

Cumulatively, the Group's revenue increased by RM55.3 million or 38.3% as compared to the preceding corresponding period mainly due to higher revenue from the High Voltage System, Services and Manufacturing segments.

The Group's profit before tax ("PBT") for the current quarter increased by RM2.3 million or 374.8% mainly due to higher PBT from the Services and Marketing and Distribution segments as well as lower loss before tax ("LBT") from High Voltage System segment. However, this was partially offset by the LBT from the Manufacturing segment.

Cumulatively, the Group's PBT increased by RM10.0 million or 600.5% for the same reason.

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

**B1. Review of Performance for the Current Financial Quarter and Financial Year To-Date
(continued)****(i) Marketing and Distribution Segment**

The Marketing and Distribution segment's revenue for the current quarter decreased by RM0.3 million or 1.1% mainly due to lower revenue from the Control business. However, this was partially offset by higher revenue from the Power business.

The Marketing and Distribution segment's cumulative revenue decreased by RM3.7 million or 7.9% mainly due to lower revenue from all businesses.

The Marketing and Distribution segment's PBT for the current quarter increased by RM1.5 million or 268.5% mainly due to higher sales of better margin products from different product mixes as well as lower administrative expenses. However, these were partially offset by higher provision for inventories written down to net realisable value.

The Marketing and Distribution segment's cumulative PBT increased by RM1.8 million or 54.1% for the same reasons.

(ii) Manufacturing Segment

The Manufacturing segment's revenue for the current quarter increased by RM3.1 million or 9.4% mainly due to higher revenue from the Elevator and Busduct businesses. However, these were partially offset by lower revenue from the Ballast business.

The Manufacturing segment's cumulative revenue increased by RM7.2 million or 11.5% for the same reasons.

The Manufacturing segment recorded LBT of RM1.2 million for the current quarter as compared to a PBT for the preceding year's corresponding quarter amounting to RM2.8 million mainly due to lower margins for elevator projects and busduct products, lower fair value gains on derivatives as well as higher administrative expenses. However, these were partially offset by the higher net gain on foreign exchange and higher reversal of allowance for doubtful debts during the current quarter.

The Manufacturing segment recorded a cumulative LBT of RM0.6 million for the current quarter as compared to the PBT of the preceding year's corresponding quarter which amounted to RM0.2 million, mainly due to lower margins for elevator projects and busduct products as well as higher administrative and distribution expenses. However, these were partially offset by the higher fair value gains on derivatives.

**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) Services Segment**

The Services segment's revenue for the current quarter increased by RM4.5 million or 45.0% mainly due to higher elevator maintenance contracts and repair sales.

The Services segment's cumulative revenue increased by RM7.9 million or 41.2% for the same reason.

The Services segment's PBT for the current quarter increased by RM2.6 million or 105.5% mainly due to higher revenue from elevator maintenance contracts and repair sales.

The Services segment's cumulative PBT increased by RM3.9 million or 66.4% mainly due to higher revenue and higher reversal of allowance for doubtful debts. However, these were partially offset by higher administrative expenses.

(iv) High Voltage System Segment

The High Voltage System segment's revenue for the current quarter increased by RM6.3 million or 112.8% mainly due to the higher execution of Transmission Sub-Station projects in Peninsular Malaysia.

The High Voltage System segment's cumulative revenue increased by RM43.9 million or 279.1% due to higher execution of Transmission Sub-Station projects in both Peninsular Malaysia and East Malaysia.

The High Voltage System segment's LBT for the current quarter decreased by RM2.2 million or 34.4% mainly due to higher revenue and higher net gain on foreign exchange. However, these were partially offset by higher fair value loss on derivatives.

The High Voltage System segment's cumulative LBT decreased by RM5.2 million or 67.3% for the same reasons.

**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
	31.03.2024 RM'000	31.12.2023 RM'000	
Revenue			
Marketing and Distribution	22,046	21,052	4.7%
Manufacturing	36,586	33,384	9.6%
Services	14,543	12,511	16.2%
High Voltage System	11,967	47,670	(74.9%)
Total	85,142	114,617	(25.7%)
Profit / (Loss) before Tax			
Marketing and Distribution	2,056	2,986	(31.1%)
Manufacturing	(1,210)	593	(304.0%)
Services	5,068	4,739	6.9%
High Voltage System	(4,213)	1,707	(346.8%)
Total	1,701	10,025	(83.0%)

The Group's revenue for the current quarter decreased by RM29.5 million or 25.7% against the preceding quarter mainly due to lower revenue from the High Voltage System segment but partly offset by the higher revenue from the Services, Manufacturing and Marketing and Distribution segments.

The Group's PBT for the current quarter decreased by RM8.3 million or 83.0% as compared to the preceding quarter mainly due to the LBT recorded from the High Voltage System and Manufacturing segments and the lower PBT recorded for the Marketing and Distribution segment. These were partly offset by the higher PBT recorded from the Services segment.

(i) Marketing and Distribution Segment

The Marketing and Distribution segment's revenue for the current quarter increased by RM1.0 million or 4.7% mainly due to the higher sales from Power business. However, this was partially offset by lower sales from the Control business.

The Marketing and Distribution segment's PBT for the current quarter decreased by RM0.9 million or 31.1% mainly due to higher administrative and distribution expenses.

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

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

(ii) Manufacturing Segment

The Manufacturing segment's revenue for the current quarter increased by RM3.2 million or 9.6% mainly due to higher revenue from the Elevator business. However, this was partially offset by lower revenue from the Busduct business.

The Manufacturing segment recorded LBT of RM1.2 million for the current quarter as compared to the PBT of RM0.6 million in the preceding year's corresponding quarter mainly due to lower margins for the elevator business. However, this was partially offset by lower distribution expenses and higher reversal of allowance for doubtful debts.

(iii) Services Segment

The Services segment's revenue for the current quarter increased by RM2.0 million or 16.2% mainly due to higher elevator maintenance contracts and repair sales.

The Services segment's PBT for the current quarter increased by RM0.3 million or 6.9% mainly due to higher revenue. However, this was partially offset by higher allowance 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 RM35.7 million or 74.9% mainly due to the lower execution of Transmission Sub-Station projects in Peninsular Malaysia which was secured during the Covid-19 pandemic period, as well as projects in East Malaysia.

The High Voltage System segment recorded LBT of RM4.2 million for the current quarter as compared to the PBT of the preceding year's corresponding quarter mainly due to lower revenue and higher fair value loss on derivatives. However, this was partially offset by higher foreign exchange gains.

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

B3. Commentary on Prospects

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

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

Premised on the above and barring any unforeseen circumstances, the Board is cautiously optimistic of the Group's financial performance for the financial quarter ending 30 June 2024.

B4. Profit Forecast

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

B5. Tax Expense

	Individual Financial Quarter Ended 31.03.2024 RM'000	Cumulative Financial Quarter Ended 31.03.2024 RM'000
Current tax expense		
- current period	1,691	3,747
- prior period	-	(6)
	1,691	3,741
Deferred tax expense		
Origination and reversal of temporary differences		
- current period	121	(27)
- prior period	91	87
	212	60
Total current tax recognised in profit or loss	1,903	3,801
Share of tax of equity-accounted joint venture	31	37
Total tax expense	1,934	3,838

The effective tax rate of the Group for the cumulative financial quarter under review is 32% which is higher than the statutory tax rate of 24%. The higher effective tax rate was mainly due to the losses of the High Voltage System segment which cannot be set off against the taxable profits made by the other business segments. In addition, there are certain expenses which are not deductible for tax purposes.

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

B6. Status of Corporate Proposals Announced

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

B7. Group Borrowings

The Group's borrowings are as follows:

	As at 31.03.2024		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Finance lease liabilities	493	290	783
Term loans	9,050	2,375	11,425
Unsecured			
Banker's acceptance	-	19,700	19,700
Bank overdrafts	-	181	181
Revolving credit	-	18,200	18,200
	9,543	40,746	50,289

	As at 31.03.2023		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Finance lease liabilities	821	240	1,061
Term loans	10,897	2,585	13,482
Unsecured			
Banker's acceptance	-	14,754	14,754
Bank overdrafts	-	784	784
Revolving credit	-	15,700	15,700
	11,718	34,063	45,781

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 17 May 2024, the Board has declared and approved the payment of a first interim single-tier dividend of 1.25 sen per ordinary share (2Q 2023: 1.0 sen per ordinary share) in respect of the financial year ending 30 September 2024.

The dividend will be paid on 9 July 2024 to shareholders registered in the Record of Depositors as at 19 June 2024.

B10. Earnings per Ordinary Share

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

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

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Profit for the period attributable to owners (RM'000)	<u>1,671</u>	<u>1,066</u>	<u>9,161</u>	<u>2,985</u>
Weighted average number of ordinary shares in issue ('000)	288,434	260,113	274,605	260,113
Basic EPS (sen)	<u>0.58</u>	<u>0.41</u>	<u>3.34</u>	<u>1.15</u>

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

B10. Earnings per Ordinary Share (continued)

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

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

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Profit for the period attributable to owners (RM'000)	<u>1,671</u>	<u>1,066</u>	<u>9,161</u>	<u>2,985</u>
Weighted average number of ordinary shares in issue ('000) (basic)	288,434	260,113	274,605	260,113
Effect of dilution of share options ('000)	<u>-</u>	<u>4,137</u>	<u>-</u>	<u>4,938</u>
Weighted average number of ordinary shares in issue ('000) (diluted)	288,434	264,250	274,605	265,051
Diluted EPS (sen)	<u>0.58</u>	<u>0.40</u>	<u>3.34</u>	<u>1.13</u>

B11. Financial Instruments

Outstanding derivatives as at 31 March 2024 are as follow:

Type of derivatives	Contract / Notional Value RM'000	Net Derivative Financial Assets RM'000
Less than 1 year: Forward exchange contract	<u>53,068</u>	<u>141</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		Cumulative Financial Quarter Ended	
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Profit / (Loss) for the period is arrived after charging / (crediting):				
Bad debts written off	-	155	-	177
Depreciation and amortisation	876	869	1,762	1,739
Depreciation for right-of-use assets	508	482	1,039	1,011
Fair value loss / (gain) on forward exchange contracts, net	1,968	(3,020)	2,271	(1,405)
Foreign exchange (gain) / loss, net	(2,493)	590	(3,737)	478
Interest expense on lease liabilities	34	28	72	59
Inventories written down to net realisable value	566	154	1,097	782
(Gain) / Loss on disposal of property, plant and equipment	(20)	656	(20)	656
Provision for liquidated and ascertained damages	-	409	-	409
(Reversal of) / Allowance for foreseeable loss	(229)	(61)	221	(168)
(Reversal of) / Provision for warranties, net	(55)	(34)	(107)	342
(Reversal of) / Provision for impairment loss on receivables	(202)	819	(518)	1,377

B13. Authority for Issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Directors dated 17 May 2024.