

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2018

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			
	30.09.2018	30.09.2017	Changes		30.09.2018	30.09.2017	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	<u>63,975</u>	<u>60,160</u>	3,815	6.3%	<u>263,376</u>	<u>270,680</u>	(7,304)	(2.7%)
Results from operating activities	8,149	2,945	5,204	176.7%	27,180	27,764	(584)	(2.1%)
Finance costs	(200)	(232)	(32)	(13.8%)	(1,093)	(1,705)	(612)	(35.9%)
Finance income	141	89	52	58.4%	363	207	156	75.4%
Net finance costs	(59)	(143)	(84)	(58.7%)	(730)	(1,498)	(768)	(51.3%)
Share of profit of equity-accounted joint venture, net of tax	19	11	8	72.7%	301	425	(124)	(29.2%)
Profit before tax	<u>8,109</u>	<u>2,813</u>	5,296	188.3%	<u>26,751</u>	<u>26,691</u>	60	0.2%
Tax expense	(2,270)	(750)	1,520	202.7%	(6,266)	(6,921)	(655)	(9.5%)
Profit for the period	<u>5,839</u>	<u>2,063</u>	3,776	183.0%	<u>20,485</u>	<u>19,770</u>	715	3.6%

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2018

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	
	30.09.2018	30.09.2017	RM'000	%	30.09.2018	30.09.2017	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	191	(24)	215	895.8%	(257)	216	(473)	(219.0%)
Cash flow hedge	(639)	-	639	100.0%	(1,407)	-	1,407	100.0%
Total other comprehensive (expense) / income for the period	<u>(448)</u>	<u>(24)</u>	424	1766.7%	<u>(1,664)</u>	<u>216</u>	(1,880)	(870.4%)
Total comprehensive income for the period	<u>5,391</u>	<u>2,039</u>	3,352	164.4%	<u>18,821</u>	<u>19,986</u>	(1,165)	(5.8%)
Profit attributable to:								
Owners of the Company	5,817	2,204	3,613	163.9%	20,085	19,921	164	0.8%
Non-controlling interests	22	(141)	163	115.6%	400	(151)	551	364.9%
	<u>5,839</u>	<u>2,063</u>	3,776	183.0%	<u>20,485</u>	<u>19,770</u>	715	3.6%

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2018

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	
	30.09.2018	30.09.2017	RM'000	%	30.09.2018	30.09.2017	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Total comprehensive income attributable to:								
Owners of the Company	5,350	2,181	3,169	145.3%	18,447	20,114	(1,667)	(8.3%)
Non-controlling interests	41	(142)	183	128.9%	374	(128)	502	392.2%
	<u>5,391</u>	<u>2,039</u>	3,352	164.4%	<u>18,821</u>	<u>19,986</u>	(1,165)	(5.8%)
Earnings per share:								
- Basic (sen)	<u>4.47</u>	<u>1.70</u>			<u>15.45</u>	<u>15.32</u>		
- Diluted (sen)	<u>N/A</u>	<u>N/A</u>			<u>N/A</u>	<u>N/A</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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2018

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Financial			
	Quarter Ended			
	30.09.2018	30.06.2018	RM'000	%
	RM'000	RM'000	RM'000	
Revenue	<u>63,975</u>	<u>67,841</u>	(3,866)	(5.7%)
Results from operating activities	8,149	5,219	2,930	56.1%
Finance costs	(200)	(271)	(71)	(26.2%)
Finance income	141	114	27	23.7%
Net finance costs	(59)	(157)	(98)	(62.4%)
Share of profit / (loss) of equity-accounted joint venture, net of tax	<u>19</u>	<u>(10)</u>	29	290.0%
Profit before tax	8,109	5,052	3,057	60.5%
Tax expense	<u>(2,270)</u>	<u>(1,021)</u>	1,249	122.3%
Profit for the period	<u>5,839</u>	<u>4,031</u>	1,808	44.9%
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	191	32	159	496.9%
Cash flow hedge	<u>(639)</u>	<u>(768)</u>	(129)	(16.8%)
Total other comprehensive expense for the period	<u>(448)</u>	<u>(736)</u>	(288)	(39.1%)
Total comprehensive income for the period	<u>5,391</u>	<u>3,295</u>	2,096	63.6%
Profit attributable to:				
Owners of the Company	5,817	3,652	2,165	59.3%
Non-controlling interests	<u>22</u>	<u>379</u>	(357)	(94.2%)
	<u>5,839</u>	<u>4,031</u>	1,808	44.9%

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2018

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

(The figures have not been audited)

	Individual Financial			
	Quarter Ended			
	30.09.2018	30.06.2018	Changes	
	RM'000	RM'000	RM'000	%
Total comprehensive income attributable to:				
Owners of the Company	5,350	2,913	2,437	83.7%
Non-controlling interests	41	382	(341)	(89.3%)
	<u>5,391</u>	<u>3,295</u>	2,096	63.6%
Earnings per share:				
- Basic (sen)	<u>4.47</u>	<u>2.81</u>		
- Diluted (sen)	<u>N/A</u>	<u>N/A</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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2018

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	(Unaudited) 30.09.2018 RM'000	(Audited) 30.09.2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	25,522	23,702
Intangible assets	2,037	2,677
Investment properties	3,929	3,718
Investment in joint venture	1,003	702
Other investments	10	10
Deferred tax assets	4,899	3,801
Total non-current assets	37,400	34,610
Current assets		
Inventories	41,233	43,936
Current tax assets	829	1,956
Trade and other receivables	101,245	103,224
Deposits and prepayments	3,999	2,624
Derivative financial assets	97	3
Cash and cash equivalents	55,424	45,087
Total current assets	202,827	196,830
TOTAL ASSETS	<u>240,227</u>	<u>231,440</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	69,302	69,302
Reserves	97,037	87,690
Total equity attributable to owners of the Company	166,339	156,992
Non-controlling interests	1,693	1,332
TOTAL EQUITY	<u>168,032</u>	<u>158,324</u>

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2018

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

	Note	(Unaudited) 30.09.2018 RM'000	(Audited) 30.09.2017 RM'000
EQUITY AND LIABILITIES			
(continued)			
Non-current liabilities			
Loans and borrowings	B7	6,584	7,287
Deferred tax liabilities		182	338
Total non-current liabilities		6,766	7,625
Current liabilities			
Loans and borrowings	B7	8,438	9,993
Deferred income		1,370	7,326
Provision for warranties		899	1,006
Current tax payable		939	759
Trade and other payables		51,482	46,114
Derivative financial liabilities		2,301	293
Total current liabilities		65,429	65,491
TOTAL LIABILITIES		72,195	73,116
TOTAL EQUITY AND LIABILITIES		240,227	231,440
Net assets per share attributable to equity holders of the Company (RM)		1.29	1.21

(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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2018

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	Treasury Shares RM'000	Translation Reserve RM'000	Hedging Reserve RM'000	Retained Profits RM'000			
<u>12 Months Period Ended</u>								
<u>30 September 2018</u>								
At 1 October 2017	69,302	(5)	1,154	-	86,541	156,992	1,332	158,324
Foreign currency translation differences for foreign operation	-	-	(231)	-	-	(231)	(26)	(257)
Cash flow hedge	-	-	-	(1,407)	-	(1,407)	-	(1,407)
	-	-	(231)	(1,407)	-	(1,638)	(26)	(1,664)
Profit for the year	-	-	-	-	20,085	20,085	400	20,485
Total comprehensive income for the period	-	-	(231)	(1,407)	20,085	18,447	374	18,821
Dividend to owners of the Company	-	-	-	-	(9,100)	(9,100)	-	(9,100)
Dividends to non-controlling interest	-	-	-	-	-	-	(13)	(13)
At 30 September 2018	69,302	(5)	923	(1,407)	97,526	166,339	1,693	168,032

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2018

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>12 Months Period Ended</u> <u>30 September 2017</u>	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Retained Profits RM'000			
At 1 October 2016	65,000	4,302	(5)	961	71,820	142,078	1,460	143,538
Foreign currency translation differences for foreign operation	-	-	-	193	-	193	-	193
Profit for the year	-	-	-	-	19,921	19,921	(128)	19,793
Total comprehensive income for the period	-	-	-	193	19,921	20,114	(128)	19,986
Dividend to owners of the Company	-	-	-	-	(5,200)	(5,200)	-	(5,200)
Transfer in accordance with Section 618(2) of the Companies Act 2016	4,302	(4,302)	-	-	-	-	-	-
At 30 September 2017	69,302	-	(5)	1,154	86,541	156,992	1,332	158,324

(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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2018

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	12 Months Period Ended	
	30.09.2018	30.09.2017
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	26,751	26,691
Adjustments for:		
Amortisation of investment properties	26	27
Amortisation of development costs	159	259
Allowance / (Reversal) of foreseeable losses	233	(58)
Provision for warranties-net	127	40
Depreciation of property, plant and equipment	1,838	1,885
Property, plant and equipment written off	3	-
Gain on disposal of property, plant and equipment	(29)	(24)
Fair value loss / (gain) on forward exchange contracts	642	(596)
Finance costs	1,093	1,705
Finance income	(363)	(207)
Share of profit of equity-accounted joint venture, net of tax	(301)	(425)
Unrealised foreign exchange gain	(60)	(162)
	<hr/>	<hr/>
Operating profit before changes in working capital	30,119	29,135
Changes in working capital:		
Inventories	2,671	7,252
Trade and other receivables, deposits and prepayments	10,879	23,735
Trade and other payables and deferred income	(10,531)	(10,549)
Warranties paid	(234)	(310)
	<hr/>	<hr/>
Cash generated from operations	32,904	49,263
Income taxes paid	(6,213)	(7,652)
Interest paid	(323)	(103)
Interest received	363	207
	<hr/>	<hr/>
Net cash generated from operating activities	26,731	41,715
CASH FLOWS FROM INVESTING ACTIVITY		
Proceeds from disposal of property, plant and equipment	38	46
Purchase of property, plant and equipment	(3,579)	(1,015)
Decrease / (Increase) in pledged deposits	500	(500)
	<hr/>	<hr/>
Net cash used in investing activity	(3,041)	(1,469)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2018

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(The figures have not been audited)

	12 Months Period Ended	
	30.09.2018	30.09.2017
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(9,100)	(5,200)
Dividend paid to non-controlling interest	(13)	-
Repayment of loans and borrowings	(1,642)	(23,469)
Repayment of finance lease liabilities	(360)	(375)
Interest paid	(770)	(1,602)
Net cash used in financing activities	(11,885)	(30,646)
Net increase in cash and cash equivalents	11,805	9,600
Foreign exchange differences on cash held	(214)	151
Cash and cash equivalents at beginning of the financial year	43,543	33,792
Cash and cash equivalents at end of the financial year	55,134	43,543
Cash and cash equivalents included in the statements of cash flows comprise:-		
Deposits	-	3,000
Less: Pledged deposits	-	(500)
	-	2,500
Cash and bank balances	30,226	29,666
Liquid investments	25,198	12,421
Bank overdrafts	(290)	(1,044)
	55,134	43,543

(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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

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

A1. Basis of Preparation

The unaudited interim financial statements for the year ended 30 September 2018, have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standard Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The unaudited interim financial statements should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 30 September 2017. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30 September 2017.

The accounting policies applied by the Group in these interim financial statements are consistent with the audited financial statement for the financial year ended 30 September 2017, except for the adoption of the following:-

MFRSs, Interpretation and Amendments to MFRSs and IC interpretation effective for annual periods beginning on or after 1 January 2017.

- Amendments to MFRS 12, *Disclosure of Interests in Other Entities* (*Annual Improvements to MFRS Standards 2014 - 2016 Cycle*)
- Amendments to MFRS 107, *Statement of Cash Flows – Disclosure Initiative*
- Amendments to MFRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

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.

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

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.

A6. Debts and Securities

There were no issuances, cancellations, repurchases and repayments of debt and equity securities for the current financial quarter under review.

Details of treasury shares held:-

	No. of Shares	Amount RM
Balance as at 1 October 2017 / 30 September 2018	4,000	5,050

A7. Dividends Paid and Distributed

The Board of Directors has declared a first interim and special dividends of 2.0 sen per ordinary share respectively, amounting to RM5.2 million in respect of the financial year ended 30 September 2018. The dividends were paid to the shareholders of the Company on 28 September 2018.

A8. Segmental Information

Segmental information in respect of the Group’s business activities for the financial year to date ended 30 September 2018.

	Revenue RM’000	Profit before Tax RM’000
Marketing and Distribution	88,075	8,969
Manufacturing	110,502	3,049
Services	64,799	14,733
Reportable segment	<u>263,376</u>	<u>26,751</u>

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

A9. Subsequent Material Event

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

A10. Changes in the Composition of the Group

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

A11. Capital Commitments

Outstanding commitments in respects of capital expenditure for the Group at reporting date not provided for in the financial statements are:

	RM’000
Balance purchase consideration on acquisition of property, plant and equipment	<u>19,173</u>

A12. Changes in Contingent Liabilities

Corporate guarantee given by the Company to secure banking facilities granted to subsidiaries:

	RM’000
At 1 October 2017	184,350
Increase in borrowing facilities	<u>80,600</u>
At 30 September 2018	<u>264,950</u>

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

	RM’000
At 1 October 2017	11,812
Addition	<u>15,397</u>
At 30 September 2018	<u>27,209</u>

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

A13. 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 (“CTL”)	A company in which two (2) of the directors and substantial shareholders are the brother and sister-in-law of the Executive Director, Mr. Lim Joo Swee respectively.
QL Foods Sdn Bhd (“QLF”)	A company in which a director and substantial shareholder is also the Non-Independent Non-Executive Director of EITA.
Sigriner Automation (MFG) Sdn Bhd (“Sigriner”)	A 50% joint venture company of EITA-Schneider (Mfg) Sdn Bhd (“ESM”) in which two (2) of the directors are the Executive Directors of EITA, the holding company of ESM.
UMW Synergistic Generation Sdn Bhd (“UMW”)	Our Independent Non-Executive Chairman who is also a Director of UMW Holdings Berhad, the holding company of UMW.

	Cumulative Financial Quarter Ended	
	30.09.2018 RM’000	30.09.2017 RM’000
<u>CTL Automation Sdn Bhd (“CTL”)</u>		
- Repairs and purchase of elevators parts	(516)	(494)
- Sales of electrical equipment	183	85
<u>QL Foods Sdn Bhd (“QLF”)</u>		
- Sales of electrical equipment	288	42
<u>Sigriner Automation (MFG) Sdn Bhd (“Sigriner”)</u>		
- Sales of elevator controllers and components, provision of management services and rental	160	162
- Purchase of elevator controllers	(4,648)	(5,583)
<u>UMW Synergistic Generation Sdn Bhd (“UMW”)</u>		
- Sales of power equipments	587	311

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
	30.09.2018 RM'000	30.09.2017 RM'000		30.09.2018 RM'000	30.09.2017 RM'000	
Revenue						
Marketing and Distribution	23,083	21,624	6.7%	88,075	86,690	1.6%
Manufacturing Services	25,955	31,515	(17.6%)	110,502	146,138	(24.4%)
	14,937	7,021	112.7%	64,799	37,852	71.2%
Total	63,975	60,160	6.3%	263,376	270,680	(2.7%)
Profit before Tax ("PBT") / (Loss) before Tax ("LBT")						
Marketing and Distribution	3,508	2,331	50.5%	8,969	9,908	(9.5%)
Manufacturing Services	220	(2,509)	108.8%	3,049	9,079	(66.4%)
	4,381	2,991	46.5%	14,733	7,704	91.2%
Total	8,109	2,813	188.3%	26,751	26,691	0.2%

The total revenue of the Group for the current quarter increased by RM3.8 million or 6.3% as compared to the preceding year corresponding quarter mainly due to higher revenue from Marketing and Distribution and Services segments but mitigated by lower revenue from Manufacturing segment.

Cumulatively, the Group revenue decreased by RM7.3 million or 2.7% as compared to the preceding corresponding year mainly due to lower revenue from Manufacturing segment.

The total PBT of the Group for the current quarter increased by RM5.3 million or 188.3% was in tandem with the higher revenue, reversal of inventories written down to net realisable value, net foreign exchange gain. However, this was partially offset with unrealised foreign exchange loss on the fair value valuation of the forward exchange contracts and provision for allowance for doubtful debts.

Cumulatively, the Group PBT increased marginally by 0.2% despite lower revenue recorded mainly due to reversal of inventories written down to net realisable value and reversal of allowance for doubtful debts.

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

**B1. Review of Performance for the Current Financial Quarter and Financial Year To-Date
(Cont'd)**

(i) Marketing and Distribution Segment

Current quarter revenue increased by RM1.5 million or 6.7% mainly due to higher demand for electrical and electronics (“E&E”) components.

Cumulative revenue increased by RM1.4 million or 1.6% for the same reason.

Current quarter PBT increased by RM1.2 million or 50.5% corresponding to the higher revenue.

Cumulative PBT however decreased by RM0.9 million or 9.5% mainly due to higher administrative expenses and bad debts written off.

(ii) Manufacturing Segment

Current quarter revenue decreased by RM5.6 million or 17.6% mainly due to lower execution of elevator projects and lower revenue from Busduct.

Cumulative revenue decreased by RM35.6 million or 24.4% for the same reason.

Current quarter reported PBT of RM0.2 million compared against preceding corresponding quarter LBT of RM2.5 million mainly due to reversal inventories written down to net realisable value.

Cumulative PBT decreased by RM6.0 million or 66.4% mainly due to lower revenue, unrealised foreign exchange loss on the fair value valuation of the forward exchange contracts and foreign exchange loss.

(iii) Service Segment

Current quarter revenue increased by RM7.9 million or 112.7% mainly due to higher execution of Transmission Sub-Station projects and elevator maintenance contract and repair sales.

Cumulative revenue increased by RM26.9 million or 71.2% for the same reasons.

Current quarter PBT increased by RM1.4 million or 46.5% mainly contributed from elevator maintenance contract and repair sales that have recorded higher gross profit margin and higher execution of Transmission Sub-station.

Cumulative PBT increased by RM7.0 million or 91.2% for the same reason.

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
	30.09.2018 RM'000	30.06.2018 RM'000	
Revenue			
Marketing and Distribution	23,083	21,291	8.4%
Manufacturing	25,955	21,536	20.5%
Services	14,937	25,014	(40.3%)
Total	63,975	67,841	(5.7%)
Profit before Tax (“PBT”) / (Loss) before Tax (“LBT”)			
Marketing and Distribution	3,508	1,208	190.4%
Manufacturing	220	(351)	162.7%
Services	4,381	4,195	4.4%
Total	8,109	5,052	60.5%

The total revenue of the Group for the current quarter decreased by RM3.9 million or 5.7% against preceding quarter mainly due to lower revenue from Services segment but mitigated by higher revenue from Manufacturing and Marketing and Distribution segments.

The total PBT of the Group for the current quarter increased by RM3.1 million or 60.5% despite lower revenue recorded mainly due to reversal of inventories written down to net realisable value, and net foreign exchange gain. However, this was partially offset with unrealised foreign exchange loss on the fair value valuation of the forward exchange contracts.

(i) Marketing and Distribution Segment

Current quarter revenue increased by RM1.8 million or 8.4% due to higher demand for E&E components.

Current quarter PBT increased by RM2.3 million or 190.4% due to higher sales of better margin products from different product mix as well as reversal of inventories written down to net realisable value.

(ii) Manufacturing Segment

Current quarter revenue increased by RM4.4 million or 20.5% mainly due to higher execution of elevator projects and higher sales from Busduct.

Current quarter PBT of RM0.2 million compared against preceding quarter LBT of RM0.4 million mainly due to unrealised foreign exchange loss on the fair value valuation of the forward exchange contracts.

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

B2. Review of Current Financial Quarter Performance against Preceding Quarter (Cont'd)

(iii) Services Segment

Current quarter revenue decreased by RM10.1 million or 40.3% mainly due to lower execution of Transmission Sub-Station projects.

Current quarter PBT however increased by RM0.2 million or 4.4% mainly contributed from elevator maintenance contract and repair sales.

B3. Commentary on Prospects

The general business environment of the Group remains challenging. Nevertheless, with the current order book and ongoing projects in hand, the Board of Directors (“the Board”) expects the results for the financial quarter ending 31 December 2018 to be satisfactory.

B4. Profit Forecast

Profit forecast was not provided.

B5. Tax Expense

	Individual Financial Quarter Ended 30.09.2018 RM'000	Cumulative Financial Quarter Ended 30.09.2018 RM'000
Current tax expense		
- current period	2,224	7,703
- prior period	(24)	(184)
	2,200	7,519
Deferred tax expense		
Origination and reversal of temporary differences		
- current period	71	(805)
- prior period	(1)	(448)
	70	(1,253)
Total current tax recognised in profit or loss	2,270	6,266
Share of tax of equity-accounted joint venture	(15)	60
Total tax expense	2,255	6,326

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

B6. Status of Corporate Proposals Announced

(a) Status of Corporate Proposal Announced but Not Completed

There were no corporate proposals announced but not completed as at the date of this report.

(b) Utilisation of Proceeds Raised From Corporate Exercise

The proceeds raised from the Company's Initial Public Offering was RM17.5 million and the status of utilisation of proceeds as at 30 September 2018 is as follows:-

Description of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Re-allocation RM'000	Balance RM'000	Intended Time Frame for Utilisation upon listing on 9 April 2012
(i) Expansion and improvements of manufacturing and business facilities	8,851	(7,025)	-	1,826*	Within 72 months
(ii) Expansion in R&D	3,750	(3,750)	-	-	Within 72 months
(iii) Working capital	2,079	(2,127)	48	-	Within 12 months
(iv) Estimated listing expenses	2,800	(2,752)	(48)	-	Immediate
Total Public Issue Proceeds	17,480	(15,654)	-	1,826	

Note:

* On 7 March 2014 and 8 March 2016, the Board had resolved to approve the extension of time for the utilisation of the remaining IPO proceeds for the expansion and improvements of manufacturing and business facilities and the expansion in research & development until 9 April 2016 and 9 April 2018 respectively. However, the said proceeds was not fully utilised for the intended purpose within the extended time frame.

On 3 April 2018, the Board had resolved to further extend the time frame for the utilisation of the remaining IPO proceeds for another 24 months until 9 April 2020.

The main reason for the revision of time is due to the delayed delivery of the vacant possession of the land purchased for the purpose of the expansion of the elevators manufacturing facility of the Group.

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

B7. Group Borrowings

	As at 30.09.2018		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Finance lease liabilities	762	381	1,143
Term Loan	5,822	1,004	6,826
Unsecured			
Banker's acceptance	-	6,763	6,763
Bank overdrafts	-	290	290
	6,584	8,438	15,022

	As at 30.09.2017		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Finance lease liabilities	661	345	1,006
Term Loan	6,626	979	7,605
Unsecured			
Banker's acceptance	-	7,625	7,625
Bank overdrafts	-	1,044	1,044
	7,287	9,993	17,280

B8. Change in Material Litigations

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

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

B9. Proposed Dividends

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 September 2018 of 3.0 sen per ordinary share under the single tier system amounting to RM3.9 million will be proposed for the shareholders' approval.

Together with the first interim and special dividends of 2.0 sen per ordinary share respectively, which has been paid to the shareholders of the Company on 28 September 2018, it will bring the total dividend payout in respect of the financial year ended 30 September 2018 to 7.0 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 calculated as follows:

	Individual Financial Quarter Ended		Year-to-date Ended	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Profit for the period attributable to owners (RM'000)	5,817	2,204	20,085	19,921
Weighted average number of ordinary shares in issue ('000)*	129,996	129,996	129,996	129,996
Basic EPS (sen)	<u>4.47</u>	<u>1.70</u>	<u>15.45</u>	<u>15.32</u>

Note:

* The weighted average number of ordinary shares outstanding during 30 September 2018 excluding treasury shares held by the Company.

(b) Diluted EPS

The Group did not issue any financial instruments, convertible securities and / or other contracts that may entitle its holders to new ordinary shares and therefore dilute its basic earnings per share.

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

B11. Financial Instruments

Outstanding derivatives as at 30 September 2018 is as follow:

Type of derivatives	Contract / Notional Value RM'000	Fair Value RM'000
Less than 1 year:-		
Forward exchange contract	115,071	(2,204)

There are no changes to policies related to financial instruments since last financial year.

B12. Notes to Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Individual Financial Quarter Ended		Year-to-date Ended	
	30.09.2018 RM'000	30.09.2017 RM'000	30.09.2018 RM'000	30.09.2017 RM'000
Profit for the period is arrived after charging / (crediting):				
Bad debts written off / (recovered)	99	(67)	371	(47)
Depreciation and amortisation	507	489	2,023	2,171
(Reversal of) / Provision for allowance for doubtful debts	(293)	(548)	(219)	725
Inventories written down to net realisable value	(110)	1,825	1,782	2,198
(Gain) / Loss on disposal of property, plant and equipment	(28)	2	(29)	(24)
Foreign exchange (gain) / loss, net	(141)	78	819	(615)
Allowance for / (Reversal of) foreseeable loss	288	(110)	233	(58)
Fair value loss / (gain) on forward exchange contracts	374	(84)	642	(596)
Provision for warranties-net	283	61	127	40

B13. Authority for Issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Directors dated 23 November 2018.