

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2019

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Financial				Cumulative Financial			
	Quarter Ended		Changes		Quarter Ended		Changes	
	31.03.2019	31.03.2018	RM'000	%	31.03.2019	31.03.2018	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
		(Restated)				(Restated)		
Revenue	67,459	62,438	5,021	8.0%	119,092	131,805	(12,713)	(9.6%)
Results from operating activities	8,445	6,087	2,358	38.7%	11,314	14,057	(2,743)	(19.5%)
Finance costs	(342)	(365)	23	6.3%	(707)	(622)	(85)	(13.7%)
Finance income	80	67	13	19.4%	113	108	5	4.6%
Net finance costs	(262)	(298)	36	12.1%	(594)	(514)	(80)	(15.6%)
Share of profit of equity-accounted joint venture, net of tax	506	91	415	456.0%	430	292	138	47.3%
Profit before tax	8,689	5,880	2,809	47.8%	11,150	13,835	(2,685)	(19.4%)
Tax expense	(2,316)	(1,593)	(723)	(45.4%)	(3,373)	(3,034)	(339)	(11.2%)
Profit for the period	6,373	4,287	2,086	48.7%	7,777	10,801	(3,024)	(28.0%)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2019

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

(The figures have not been audited)

	Individual Financial Quarter Ended		Changes		Cumulative Financial Quarter Ended		Changes	
	31.03.2019 RM'000	31.03.2018 RM'000 (Restated)	RM'000	%	31.03.2019 RM'000	31.03.2018 RM'000 (Restated)	RM'000	%
Other comprehensive income, net of tax								
Foreign currency translation differences								
for foreign operations	(68)	(245)	177	72.2%	(35)	(480)	445	92.7%
Cash flow hedge	301	-	301	100.0%	472	-	472	100.0%
Total other comprehensive income / (expense) for the period	233	(245)	478	195.1%	437	(480)	917	191.0%
Total comprehensive income for the period	6,606	4,042	2,564	63.4%	8,214	10,321	(2,107)	(20.4%)
Profit attributable to:								
Owners of the Company	6,429	4,300	2,129	49.5%	8,067	10,802	(2,735)	(25.3%)
Non-controlling interests	(56)	(13)	(43)	(330.8%)	(290)	(1)	(289)	(28900.0%)
	6,373	4,287	2,086	48.7%	7,777	10,801	(3,024)	(28.0%)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2019

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			
	31.03.2019	31.03.2018	Changes		31.03.2019	31.03.2018	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
		(Restated)				(Restated)		
Total comprehensive income attributable to:								
Owners of the Company	6,669	4,080	2,589	63.5%	8,508	10,370	(1,862)	(18.0%)
Non-controlling interests	(63)	(38)	(25)	(65.8%)	(294)	(49)	(245)	(500.0%)
	<u>6,606</u>	<u>4,042</u>	2,564	63.4%	<u>8,214</u>	<u>10,321</u>	(2,107)	(20.4%)
Earnings per share:								
- Basic (sen)	<u>4.95</u>	<u>3.31</u>	1.64	49.5%	<u>6.21</u>	<u>8.31</u>	(2.10)	(25.3%)
- 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 2018 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2019

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Financial			
	Quarter Ended			
	31.03.2019	31.12.2018	RM'000	%
Revenue	<u>67,459</u>	<u>51,633</u>	15,826	30.7%
Results from operating activities	8,445	2,869	5,576	194.4%
Finance costs	(342)	(365)	23	6.3%
Finance income	80	33	47	142.4%
Net finance costs	(262)	(332)	70	21.1%
Share of profit / (loss) of equity-accounted joint venture, net of tax	<u>506</u>	<u>(76)</u>	582	765.8%
Profit before tax	8,689	2,461	6,228	253.1%
Tax expense	<u>(2,316)</u>	<u>(1,057)</u>	(1,259)	(119.1%)
Profit for the period	<u>6,373</u>	<u>1,404</u>	4,969	353.9%
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	(68)	33	(101)	(306.1%)
Cash flow hedge	<u>301</u>	<u>171</u>	130	76.0%
Total other comprehensive income for the period	<u>233</u>	<u>204</u>	29	14.2%
Total comprehensive income for the period	<u>6,606</u>	<u>1,608</u>	4,998	310.8%
Profit attributable to:				
Owners of the Company	6,429	1,638	4,791	292.5%
Non-controlling interests	(56)	(234)	178	76.1%
	<u>6,373</u>	<u>1,404</u>	4,969	353.9%

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2019

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

(The figures have not been audited)

	Individual Financial			
	Quarter Ended			
	31.03.2019	31.12.2018	RM'000	%
	RM'000	RM'000	RM'000	
Total comprehensive income attributable to:				
Owners of the Company	6,669	1,839	4,830	262.6%
Non-controlling interests	(63)	(231)	168	72.7%
	<u>6,606</u>	<u>1,608</u>	4,998	310.8%
Earnings per share:				
- Basic (sen)	<u>4.95</u>	<u>1.26</u>	3.69	292.9%
- 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 2018 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Note	31.03.2019 RM'000 (Unaudited)	30.09.2018 RM'000 (Restated)	01.10.2017 RM'000 (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment		32,014	25,522	23,702
Intangible assets		2,340	2,037	2,677
Investment properties		4,297	3,929	3,718
Investment in joint venture		1,434	1,003	702
Other investments		10	10	10
Deferred tax assets		6,626	6,511	4,783
Total non-current assets		46,721	39,012	35,592
Current assets				
Inventories		45,248	41,233	43,936
Contract assets		38,728	33,845	31,945
Trade and other receivables		67,358	60,685	67,188
Current tax assets		1,398	829	1,956
Deposits and prepayments		5,283	3,999	2,624
Derivative financial assets		719	97	3
Cash and cash equivalents		54,297	55,424	45,087
Total current assets		213,031	196,112	192,739
TOTAL ASSETS		<u>259,752</u>	<u>235,124</u>	<u>228,331</u>
EQUITY AND LIABILITIES				
Equity				
Share capital		69,302	69,302	69,302
Reserves		100,442	91,934	84,581
Total equity attributable to owners of the Company		169,744	161,236	153,883
Non-controlling interests		1,399	1,693	1,332
TOTAL EQUITY		<u>171,143</u>	<u>162,929</u>	<u>155,215</u>

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

	Note	31.03.2019 RM'000 (Unaudited)	30.09.2018 RM'000 (Restated)	01.10.2017 RM'000 (Restated)
EQUITY AND LIABILITIES				
(continued)				
Non-current liabilities				
Loans and borrowings	B7	6,608	6,584	7,287
Deferred tax liabilities		560	182	338
Total non-current liabilities		7,168	6,766	7,625
Current liabilities				
Loans and borrowings	B7	13,111	8,438	9,993
Provision for warranties		922	899	1,006
Current tax payable		837	939	759
Trade and other payables		51,026	51,494	46,114
Contract liabilities		15,260	1,358	7,326
Derivative financial liabilities		285	2,301	293
Total current liabilities		81,441	65,429	65,491
TOTAL LIABILITIES		88,609	72,195	73,116
TOTAL EQUITY AND LIABILITIES		259,752	235,124	228,331
Net assets per share attributable to equity holders of the Company (RM)		1.31	1.25	1.19

(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 2018 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2019

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	< ----- Attributable to owners of the Company ----- >						Non-Controlling Interests	Total Equity
	< ----- Non-Distributable ----- >			Distributable				
<u>Period Ended 31 March 2019</u>	Share Capital	Treasury Shares	Translation Reserve	Hedging Reserve	Retained Profits	Total	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2018, <i>as previously reported</i>	69,302	(5)	923	(1,407)	97,526	166,339	1,693	168,032
Adjustment on initial application of MFRS 15, net of tax	-	-	-	-	(3,948)	(3,948)	-	(3,948)
Adjustment on initial application of MFRS 9, net of tax	-	-	-	-	(1,155)	(1,155)	-	(1,155)
At 1 October 2018, <i>restated</i>	69,302	(5)	923	(1,407)	92,423	161,236	1,693	162,929
Foreign currency translation differences for foreign operation	-	-	(31)	-	-	(31)	(4)	(35)
Cash flow hedge	-	-	-	472	-	472	-	472
Profit for the period	-	-	-	-	8,067	8,067	(290)	7,777
Total comprehensive income for the period	-	-	(31)	472	8,067	8,508	(294)	8,214
At 31 March 2019	69,302	(5)	892	(935)	100,490	169,744	1,399	171,143

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2019

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

(The figures have not been audited)

	< ----- Attributable to owners of the Company ----- >						Non-Controlling Interests	Total Equity
	< ----- Non-Distributable ----- >			Distributable				
<u>Period Ended 31 March 2018</u>	Share Capital	Treasury Shares	Translation Reserve	Hedging Reserve	Retained Profits	Total	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2017, <i>as previously reported</i>	69,302	(5)	1,154	-	86,541	156,992	1,332	158,324
Adjustment on initial application of MFRS 15, net of tax	-	-	-	-	(3,109)	(3,109)	-	(3,109)
At 1 October 2017, restated	69,302	(5)	1,154	-	83,432	153,883	1,332	155,215
Foreign currency translation differences for foreign operation	-	-	(432)	-	-	(432)	(48)	(480)
Profit for the period	-	-	-	-	10,802	10,802	(1)	10,801
Total comprehensive income for the period	-	-	(432)	-	10,802	10,370	(49)	10,321
Dividend to owners of the Company	-	-	-	-	(3,900)	(3,900)	(13)	(3,913)
At 31 March 2018, <i>restated</i>	69,302	(5)	722	-	90,334	160,353	1,270	161,623

(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 2018 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	6 Months Period Ended	
	31.03.2019	31.03.2018
	RM'000	RM'000
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	11,150	13,835
Adjustments for:		
Amortisation of investment properties	13	13
Amortisation of development costs	59	83
Reversal of foreseeable losses	(325)	(80)
Provision for warranties-net	23	(166)
Depreciation of property, plant and equipment	1,011	922
Gain on disposal of property, plant and equipment	(13)	(1)
Fair value (gain) / loss on forward exchange contracts	(917)	527
Finance costs	707	622
Finance income	(113)	(108)
Share of profit of equity-accounted joint venture, net of tax	(430)	(292)
Unrealised foreign exchange loss	196	160
	<hr/>	<hr/>
Operating profit before changes in working capital	11,361	15,515
Changes in working capital:		
Inventories	(3,192)	4,892
Trade and other receivables, deposits and prepayments	(3,109)	(2,660)
Trade and other payables and deferred income	1,055	(1,711)
	<hr/>	<hr/>
Cash generated from operations	6,115	16,036
Income taxes paid	(3,918)	(2,952)
Interest paid	(117)	(220)
Interest received	113	108
	<hr/>	<hr/>
Net cash generated from operating activities	2,193	12,972
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITY		
Proceeds from disposal of property, plant and equipment	14	10
Purchase of property, plant and equipment	(7,536)	(309)
Acquisition of intangible assets	(122)	-
	<hr/>	<hr/>
Net cash used in investing activity	(7,644)	(299)
	<hr/>	<hr/>

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(The figures have not been audited)

	6 Months Period Ended	
	31.03.2019	31.03.2018
	RM'000	RM'000
		(Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the company	-	(3,900)
Dividend paid to non-controlling interests	-	(13)
Proceeds from loans and borrowings, net	4,864	4,097
Proceeds from / (repayment) finance lease liabilities, net	236	(183)
Interest paid	(590)	(402)
Net cash generated from / (used in) financing activities	4,510	(401)
Net (decrease) / increase in cash and cash equivalents	(941)	12,272
Foreign exchange differences on cash held	(213)	(479)
Cash and cash equivalents at beginning of the financial year	55,134	44,043
Cash and cash equivalents at end of the financial year	53,980	55,836
Cash and cash equivalents included in the statements of cash flows comprise:-		
Deposits	-	2,000
Cash and bank balances	34,464	39,254
Liquid investments	19,833	14,582
Bank overdrafts	(317)	-
	53,980	55,836

(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 2018 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 period ending 31 March 2019, 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 2018. 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 2018.

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 2018, except for the adoption of the following:-

MFRSs, interpretation and amendments effective for annual periods beginning on or after 1 January 2019

- IC Interpretation 23, Uncertainty over Income Tax Treatments
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvement to MFRS Standards 2015-2017 cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

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

A1. Basis of Preparation (Cont’d)

Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

Arising from the adoption of MFRS 15, *Revenue from Contracts with Customers* and MFRS 9, *Financial Instruments*, there are changes to the accounting policies of:

- i. revenue recognition;
- ii. financial instruments; and
- iii. impairment losses of financial instruments

as compared to those adopted in previous financial statements. The impacts arising from changes are disclosed in note B13.

A2. Auditors’ Report on Preceding Annual Financial Statements

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

A3. Seasonality or Cyclical Factors

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

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

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

A5. Nature and Amount of Changes in Estimates

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

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

A6. 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 2018 / 31 March 2019	4,000	5,050

A7. Dividends Paid and Distributed

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

A8. Segmental Information

Segmental information in respect of the Group’s business activities for the financial year to date ended 31 March 2019.

	Revenue RM’000	Profit / (Loss) before Tax RM’000
Marketing and Distribution	36,319	2,096
Manufacturing	51,085	2,958
Services	19,549	6,995
High Voltage System	12,139	(899)
Reportable segment	<u>119,092</u>	<u>11,150</u>

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.

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

A11. Capital Commitments

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

Balance purchase consideration on acquisition of property, plant and equipment	RM’000 <u>12,632</u>
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A12. Changes in Contingent Liabilities

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

	RM’000
At 1 October 2018	282,721
Increase in borrowing facilities	<u>5,000</u>
At 31 March 2019	<u>287,721</u>

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

	RM’000
At 1 October 2018	27,208
Addition	<u>7,412</u>
At 31 March 2019	<u>34,620</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 Industrial Power Services Sdn Bhd (“UMWIPS”) F.K.A UMW Synergistic Generation Sdn Bhd (“UMW”)	Our Independent Non-Executive Chairman who is also a Director of UMW Holdings Berhad, the holding company of UMWIPS.

	Cumulative Financial Quarter Ended	
	31.03.2019 RM’000	31.03.2018 RM’000
<u>CTL Automation Sdn Bhd (“CTL”)</u>		
- Repairs and purchase of elevators parts	(326)	(341)
- Sales of electrical equipment	18	30
<u>QL Foods Sdn Bhd (“QLF”)</u>		
- Sales of electrical equipment	133	169
<u>Sigriner Automation (MFG) Sdn Bhd (“Sigriner”)</u>		
- Sales of elevator controllers and components, provision of management services and rental	82	83
- Purchase of elevator controllers	(2,029)	(3,300)
<u>UMW Industrial Power Services Sdn Bhd (“UMWIPS”)</u>		
- Sales of power equipments	(10)	285

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
	31.03.2019 RM'000	31.03.2018 RM'000 (Restated)		31.03.2019 RM'000	31.03.2018 RM'000 (Restated)	
Revenue						
Marketing and Distribution	19,281	21,683	(11.1%)	36,319	43,701	(16.9%)
Manufacturing	29,869	27,414	9.0%	51,085	63,256	(19.2%)
Services	9,634	6,589	46.2%	19,549	14,439	35.4%
High Voltage System	8,675	6,752	28.5%	12,139	10,409	16.6%
Total	67,459	62,438	8.0%	119,092	131,805	(9.6%)
Profit before Tax ("PBT") / (Loss) before Tax ("LBT")						
Marketing and Distribution	1,217	2,078	(41.4%)	2,096	4,251	(50.7%)
Manufacturing	3,250	1,192	172.7%	2,958	3,429	(13.7%)
Services	4,399	2,706	62.6%	6,995	6,377	9.7%
High Voltage System	(177)	(96)	(84.4%)	(899)	(222)	(305.0%)
Total	8,689	5,880	47.8%	11,150	13,835	(19.4%)

The total revenue of the Group for the current quarter increased by RM5.0 million or 8.0% as compared to the preceding year corresponding quarter mainly due to higher revenue from Manufacturing, Services and High Voltage System segments and mitigated by lower revenue from Marketing and Distribution segment.

Cumulatively, the Group revenue decreased by RM12.7 million or 9.6% as compared to the preceding corresponding period mainly due to lower revenue from Marketing and Distribution and Manufacturing segments.

The total PBT of the Group for the current quarter increased by RM2.8 million or 47.8% corresponding with the higher revenue, reversal of inventories written down to net realisable value and net foreign exchange gain.

Cumulatively, the Group PBT decreased by RM2.7 million or 19.4% was in tandem with the lower revenue and higher administrative expenses to support the increased order book and mitigated by unrealised foreign exchange gain on the fair value valuation of the forward exchange contracts.

**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 decreased by RM2.4 million or 11.1% mainly due to lower demand for electrical and electronics (“E&E”) components.

Cumulative revenue decreased by RM7.4 million or 16.9% for the same reason.

Current quarter PBT decreased by RM0.9 million or 41.4% corresponding to the lower revenue and miscellaneous income.

Cumulative PBT decreased by RM2.2 million or 50.7% due to lower sales on better margin products from different product mix, higher provision for allowance for doubtful debts and lower net foreign exchange gain.

(ii) Manufacturing Segment

Current quarter revenue increased by RM2.5 million or 9.0% mainly due to higher revenue from Busduct and Ballast.

Cumulative revenue decreased by RM12.2 million or 19.2% mainly due to lower execution of elevator projects.

Current quarter PBT increased by RM2.1 million or 172.7% corresponding to the higher revenue, net foreign exchange gain and reversal of inventories written down to net realisable value.

Cumulative PBT decreased by RM0.5 million or 13.7% was in tandem with the lower revenue, higher provision for allowance for doubtful debts and administrative expenses. However, this was mitigated by unrealised foreign exchange gain on the fair value valuation of the forward exchange contracts.

(iii) Service Segment

Current quarter revenue increased by RM3.0 million or 46.2% mainly due to higher elevator maintenance contract and repair sales.

Cumulative revenue increased by RM5.1 million or 35.4% for the same reason.

Current quarter PBT increased by RM1.7 million or 62.6% corresponding to the higher revenue and lower provision for allowance for doubtful debts.

Cumulative PBT increased by RM0.6 million or 9.7% corresponding to the higher revenue.

(iv) High Voltage System Segment

Current quarter revenue increased by RM1.9 million or 28.5% mainly due to higher execution of Transmission Sub-station projects.

Cumulative revenue increase by RM1.7 million or 16.6% for the same reason.

Current quarter LBT of RM0.2 million compared against preceding corresponding quarter LBT of RM0.1 million mainly due to higher administrative expenses to support the increased order book.

Cumulative LBT increased by RM0.7 million 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
	31.03.2019 RM'000	31.12.2018 RM'000	
Revenue			
Marketing and Distribution	19,281	17,038	13.2%
Manufacturing	29,869	21,216	40.8%
Services	9,634	9,915	(2.8%)
High Voltage System	8,675	3,464	150.4%
Total	67,459	51,633	30.7%
Profit before Tax (“PBT”) / (Loss) before Tax (“LBT”)			
Marketing and Distribution	1,217	879	38.5%
Manufacturing	3,250	(292)	1,213.0%
Services	4,399	2,596	69.5%
High Voltage System	(177)	(722)	75.5%
Total	8,689	2,461	253.1%

The total revenue of the Group for the current quarter increased by RM15.8 million or 30.7% against preceding quarter mainly due to higher revenue from Marketing and Distribution, Manufacturing and High Voltage System segments.

The total PBT of the Group for the current quarter increased by RM6.2 million or 253.1% corresponding with the higher revenue, net foreign exchange gain and reversal of inventories written down to net realisable value.

(i) Marketing and Distribution Segment

Current quarter revenue increased by RM2.2 million or 13.2% due to higher demand for E&E components.

Current quarter PBT increased by RM0.3 million or 38.5% corresponding with the higher revenue, lower provision for allowance for doubtful debts and net foreign exchange gain.

(ii) Manufacturing Segment

Current quarter revenue increased by RM8.7 million or 40.8% mainly due to higher execution of elevator projects and higher revenue from Busducts.

Current quarter PBT of RM3.3 million compared against preceding quarter LBT of RM0.3 million mainly due to higher revenue and net foreign exchange gain. However, this was mitigated by lower unrealised foreign exchange gain 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 RM0.3 million or 2.8% mainly due to lower ELV project and mitigated by higher elevator maintenance contract and repair sales.

Current quarter PBT increased by RM1.8 million or 69.5% mainly due to lower provision for allowance for doubtful debts and provision for stock loss.

(iv) High Voltage System Segment

Current quarter revenue increased by RM5.2 million or 150.4% mainly due to higher execution of Transmission Sub-station projects.

Current quarter LBT of RM0.2 million compared against preceding quarter LBT of RM0.7 million corresponding with the higher revenue and net foreign exchange gain.

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 of the Company expects to deliver satisfactory results for this financial year.

B4. Profit Forecast

Profit forecast was not provided.

B5. Tax Expense

	Individual Financial Quarter Ended 31.03.2019 RM'000	Cumulative Financial Quarter Ended 31.03.2019 RM'000
Current tax expense		
- current period	2,244	3,341
- prior period	(393)	(94)
	1,851	3,247
Deferred tax expense		
Origination and reversal of temporary differences		
- current period	133	(237)
- prior period	332	363
	465	126
Total current tax recognised in profit or loss	2,316	3,373
Share of tax of equity-accounted joint venture	122	104
Total tax expense	2,438	3,477

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

B6. Status of Corporate Proposals Announced

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

B7. Group Borrowings

	As at 31.03.2019		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Finance lease liabilities	950	429	1,379
Term Loan	5,658	1,024	6,682
Unsecured			
Banker's acceptance	-	11,341	11,341
Bank overdrafts	-	317	317
	6,608	13,111	19,719

	As at 31.03.2018		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Finance lease liabilities	521	297	818
Term Loan	6,232	983	7,215
Unsecured			
Banker's acceptance	-	12,112	12,112
	6,753	13,392	20,145

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

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 was approved in the Company's Annual General Meeting held on 27 February 2019. The dividend was paid to the shareholders of the Company on 2 April 2019.

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	
	31.03.2019	31.03.2018 (restated)	31.03.2019	31.03.2018 (restated)
Profit for the period attributable to owners (RM'000)	6,429	4,300	8,067	10,802
Weighted average number of ordinary shares in issue ('000)*	129,996	129,996	129,996	129,996
Basic EPS (sen)	<u>4.95</u>	<u>3.31</u>	<u>6.21</u>	<u>8.31</u>

Note:

* The weighted average number of ordinary shares outstanding during 31 March 2019 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 31 March 2019 is as follow:

Type of derivatives	Contract / Notional Value RM'000	Fair Value RM'000
Less than 1 year:-		
Forward exchange contract	116,350	434

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	
	31.03.2019 RM'000	31.03.2018 RM'000	31.03.2019 RM'000	31.03.2018 RM'000
Profit for the period is arrived after charging / (crediting):				
Depreciation and amortisation	568	507	1,083	1,018
Provision for allowance for doubtful debts	458	468	1,733	209
Inventories written down to net realisable value	(316)	509	(18)	949
Gain on disposal of property, plant and equipment	(13)	(1)	(13)	(1)
Foreign exchange (gain) / loss, net	(272)	501	446	577
Reversal of foreseeable loss	(311)	(29)	(325)	(80)
Fair value (gain) / loss on forward exchange contracts	(73)	(137)	(917)	527
Provision for warranties-net	28	9	23	(166)

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

B13. Comparatives

During the year, the Group adopted MFRS 9, *Financial Instruments* and MFRS15, *Revenue from Contracts with Customers* on their financial statements. The Group generally applied the requirements of these accounting standards retrospectively with practical expedients and transitional exemptions as allowed by the standards. Nevertheless, as permitted by MFRS 9, the Group has elected not to restate the comparatives.

(a) Effect of adopting MFRS 9

MFRS 9 replaces the “incurred loss” model in MFRS 139 with a forward-looking “expected credit loss” (“ECL”) model. This requires considerable judgement about how changes in economic factors affect ECLs, which is determined on a probability-weighted basis. Under MFRS 9, credit losses are recognised earlier than under MFRS 139.

The new impairment model is applied to financial assets measured at amortised cost and contract assets.

The Group measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to the lifetime expected credit loss.

(b) Effect of adopting MFRS 15

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

The contracts with customers of certain subsidiaries contain multiple performance obligations in the context of MFRS 15. The timing of revenue recognition for respective performance obligations has been changed in accordance with the recognition criteria set out in MFRS 15.

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

B13. Comparatives (Cont'd)

Impacts on financial statements

The following tables summarise the impacts arising from the adoption of MFRS 15 and MFRS 9 on the Group's financial results for the period ended 31 March 2018:-

(RM'000)	As previously reported	Effect of adoption		As restated
		MFRS 15		
Revenue	131,560	245		131,805
Results from operating activities	13,812	245		14,057
Profit before tax	13,590	245		13,835
Profit after tax	10,615	186		10,801

Below is a summary of the MFRS 15 adjustments on certain key financial metrics from our Consolidated Statements of Financial Position as at 1 October 2017 and 30 September 2018.

(RM'000)	As previously reported	Effect of adoption		Restated At 30 September 2018
		MFRS 9	MFRS 15	
Total assets	240,227	(1,155)	(3,948)	235,124
Total liabilities	72,195	-	-	72,195
Shareholders' equity	168,032	(1,155)	(3,948)	162,929

(RM'000)	As previously reported	Effect of adoption		Restated At 1 October 2017
		MFRS 9	MFRS 15	
Total assets	231,440	-	(3,109)	228,331
Total liabilities	73,116	-	-	73,116
Shareholders' equity	158,324	-	(3,109)	155,215

B14. Authority for Issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Directors dated 24 May 2019.