



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

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2020

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Financial Quarter Ended				Cumulative Financial Quarter Ended			
	31.12.2020	31.12.2019	Changes		31.12.2020	31.12.2019	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	<u>66,150</u>	<u>70,022</u>	(3,872)	(5.5%)	<u>66,150</u>	<u>70,022</u>	(3,872)	(5.5%)
Results from operating activities	8,713	8,721	(8)	(0.1%)	8,713	8,721	(8)	(0.1%)
Finance costs	(524)	(547)	23	(4.2%)	(524)	(547)	23	(4.2%)
Finance income	46	73	(27)	(37.0%)	46	73	(27)	(37.0%)
Net finance costs	(478)	(474)	(4)	(0.8%)	(478)	(474)	(4)	(0.8%)
Share of profit / (loss) of equity-accounted joint venture, net of tax	<u>147</u>	<u>(106)</u>	253	(238.7%)	<u>147</u>	<u>(106)</u>	253	(238.7%)
Profit before tax	<u>8,382</u>	<u>8,141</u>	241	(3.0%)	<u>8,382</u>	<u>8,141</u>	241	(3.0%)
Tax expense	<u>(2,190)</u>	<u>(1,769)</u>	(421)	(23.8%)	<u>(2,190)</u>	<u>(1,769)</u>	(421)	(23.8%)
Profit for the period	<u>6,192</u>	<u>6,372</u>	(180)	(2.8%)	<u>6,192</u>	<u>6,372</u>	(180)	(2.8%)



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(The figures have not been audited)

	Individual Financial Quarter Ended				Cumulative Financial Quarter Ended			
	31.12.2020 RM'000	31.12.2019 RM'000	Changes		31.12.2020 RM'000	30.12.2019 RM'000	Changes	
			RM'000	%			RM'000	%
Other comprehensive income, net of tax								
Foreign currency translation differences								
for foreign operations	21	35	(14)	(40.0%)	21	35	(14)	(40.0%)
Cash flow hedge	456	229	227	99.1%	456	229	227	99.1%
Total other comprehensive income for the period	<u>477</u>	<u>264</u>	213	80.7%	<u>477</u>	<u>264</u>	213	80.7%
Total comprehensive income for the period	<u>6,669</u>	<u>6,636</u>	33	0.5%	<u>6,669</u>	<u>6,636</u>	33	0.5%
Profit attributable to:								
Owners of the Company	6,030	6,073	(43)	(0.7%)	6,030	6,073	(43)	(0.7%)
Non-controlling interests	162	299	(137)	(45.8%)	162	299	(137)	(45.8%)
	<u>6,192</u>	<u>6,372</u>	(180)	(2.8%)	<u>6,192</u>	<u>6,372</u>	(180)	(2.8%)



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

(The figures have not been audited)

	Individual Financial				Cumulative Financial			
	Quarter Ended		Changes		Quarter Ended		Changes	
	31.12.2020	31.12.2019	RM'000	%	31.12.2020	31.12.2019	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Total comprehensive income attributable to:								
Owners of the Company	6,505	6,333	172	2.7%	6,505	6,333	172	2.7%
Non-controlling interests	164	303	(139)	(45.9%)	164	303	(139)	(45.9%)
	<u>6,669</u>	<u>6,636</u>	33	0.5%	<u>6,669</u>	<u>6,636</u>	33	0.5%
Earnings per share:								
- Basic (sen)	<u>4.64</u>	<u>4.67</u>	(0.03)	(0.6%)	<u>4.64</u>	<u>4.67</u>	(0.03)	(0.6%)
- 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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2020

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Financial			
	Quarter Ended			
	31.12.2020	30.09.2020	RM'000	%
Revenue	<u>66,150</u>	<u>78,556</u>	(12,406)	(15.8%)
Results from operating activities	8,713	6,866	1,847	26.9%
Finance costs	(524)	(737)	213	28.9%
Finance income	46	82	(36)	(43.9%)
Net finance costs	(478)	(655)	177	27.0%
Share of profit of equity-accounted joint venture, net of tax	<u>147</u>	<u>180</u>	(33)	(18.3%)
Profit before tax	8,382	6,391	1,991	31.2%
Tax expense	<u>(2,190)</u>	<u>(2,057)</u>	(133)	(6.5%)
Profit for the period	<u>6,192</u>	<u>4,334</u>	1,858	42.9%
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	21	(114)	135	118.4%
Cash flow hedge	<u>456</u>	<u>862</u>	(406)	(47.1%)
Total other comprehensive income for the period	<u>477</u>	<u>748</u>	(271)	(36.2%)
Total comprehensive income for the period	<u>6,669</u>	<u>5,082</u>	1,587	31.2%
Profit attributable to:				
Owners of the Company	6,030	4,232	1,798	42.5%
Non-controlling interests	162	102	60	58.8%
	<u>6,192</u>	<u>4,334</u>	1,858	42.9%

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2020

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

(The figures have not been audited)

	Individual Financial			
	Quarter Ended			
	31.12.2020	30.09.2020	RM'000	%
	RM'000	RM'000	RM'000	
Total comprehensive income attributable to:				
Owners of the Company	6,505	4,991	1,514	30.3%
Non-controlling interests	164	91	73	80.2%
	<u>6,669</u>	<u>5,082</u>	1,587	31.2%
Earnings per share:				
- Basic (sen)	<u>4.64</u>	<u>3.26</u>	1.38	42.3%
- 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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Note	31.12.2020 RM'000 (Unaudited)	30.09.2020 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		40,403	36,448
Right-of-use assets		8,770	10,263
Intangible assets		1,125	1,232
Investment properties		6,683	6,564
Investment in joint venture		1,840	1,693
Other investments		10	10
Deferred tax assets		3,879	4,372
Total non-current assets		62,710	60,582
Current assets			
Inventories		38,257	38,925
Contract assets		67,746	58,756
Trade and other receivables		56,777	64,585
Current tax assets		2,890	2,324
Deposits and prepayments		6,250	6,117
Derivative financial assets		155	3
Cash and cash equivalents		55,693	71,753
Total current assets		227,768	242,463
TOTAL ASSETS		290,478	303,045
EQUITY AND LIABILITIES			
Equity			
Share capital		69,302	69,302
Reserves		122,478	115,973
Total equity attributable to owners of the Company		191,780	185,275
Non-controlling interests		3,839	3,675
TOTAL EQUITY		195,619	188,950

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

EQUITY AND LIABILITIES (continued)	Note	31.12.2020 RM'000 (Unaudited)	30.09.2020 RM'000 (Audited)
Non-current liabilities			
Loans and borrowings	B7	15,860	15,518
Lease liabilities		2,884	3,245
Deferred tax liabilities		793	395
Total non-current liabilities		19,537	19,158
Current liabilities			
Loans and borrowings	B7	10,046	15,072
Lease liabilities		2,045	2,136
Contract liabilities		4,281	16,540
Provision for warranties		329	326
Current tax payable		894	605
Trade and other payables		57,534	59,780
Derivative financial liabilities		193	478
Total current liabilities		75,322	94,937
TOTAL LIABILITIES		<u>94,859</u>	<u>114,095</u>
TOTAL EQUITY AND LIABILITIES		<u>290,478</u>	<u>303,045</u>
Net assets per share attributable to equity holders of the Company (RM)		1.48	1.43

(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 2020 and the accompanying explanatory notes attached to the interim financial statements.)



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Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2020

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 December 2020</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 2020	69,302	(5)	948	(595)	115,625	185,275	3,675	188,950
Foreign currency translation differences for foreign operation	-	-	19	-	-	19	2	21
Cash flow hedge	-	-	-	456	-	456	-	456
Profit for the year	-	-	-	-	6,030	6,030	162	6,192
Total comprehensive income for the year	-	-	19	456	6,030	6,505	164	6,669
At 31 December 2020	69,302	(5)	967	(139)	121,655	191,780	3,839	195,619



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Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2020

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 December 2019</u>	Share Capital RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Hedging Reserve RM'000	Retained Profits RM'000			
At 1 October 2019	69,302	(5)	939	(2,900)	106,131	173,467	2,748	176,215
Foreign currency translation differences for foreign operation	-	-	31	-	-	31	4	35
Cash flow hedge	-	-	-	229	-	229	-	229
Profit for the year	-	-	-	-	6,073	6,073	299	6,372
Total comprehensive income for the year	-	-	31	229	6,073	6,333	303	6,636
At 31 December 2019	69,302	(5)	970	(2,671)	112,204	179,800	3,051	182,851

(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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2020

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	3 Months Period Ended	
	31.12.2020	31.12.2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,382	8,141
Adjustments for:		
Amortisation of investment properties	25	19
Amortisation of development costs	11	15
Reversal of foreseeable losses	(302)	(423)
Provision / (Reversal of) for warranties-net	3	(140)
Depreciation of property, plant and equipment	610	515
Depreciation of right-of-use assets	547	508
Gain on disposal of property, plant and equipment	-	(14)
Fair value loss / (gain) on forward exchange contracts	15	(715)
Property, plant and equipment written off	1	-
Finance costs	524	547
Finance income	(46)	(52)
Share of (profit) / loss of equity-accounted joint venture, net of tax	(147)	106
Unrealised foreign exchange gain	(67)	(67)
	<hr/>	<hr/>
Operating profit before changes in working capital	9,556	8,440
Changes in working capital:		
Inventories	670	945
Trade and other receivables, deposits and prepayments and contract assets	(656)	12,358
Trade and other payables and contract liabilities	(14,589)	(35,359)
	<hr/>	<hr/>
Cash used in operations	(5,019)	(13,616)
Income taxes paid	(1,570)	(2,210)
Interest paid	(78)	(47)
Interest received	46	52
	<hr/>	<hr/>
Net cash used in operating activities	(6,621)	(15,821)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	14
Right of use assets	-	(2,693)
Purchase of property, plant and equipment	(3,534)	(2,123)
Acquisition of intangible assets	(24)	-
Acquisition of investment properties	(144)	-
	<hr/>	<hr/>
Net cash used in investing activities	(3,702)	(4,802)
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Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2020

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(The figures have not been audited)

	3 Months Period Ended	
	31.12.2020	31.12.2019
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment of) / Proceeds from loans and borrowings, net	(4,806)	20,880
Repayment of lease liabilities, net	(599)	(115)
Interest paid	(446)	(500)
Net cash (used in) / generated from financing activities	(5,851)	20,265
Net decrease in cash and cash equivalents	(16,174)	(358)
Foreign exchange differences on cash held	(68)	(40)
Cash and cash equivalents at beginning of the financial year	71,654	68,727
Cash and cash equivalents at end of the financial year	55,412	68,329
Cash and cash equivalents included in the statements of cash flows comprise:-		
Deposits	-	1,500
Cash and bank balances	46,848	51,306
Liquid investments	8,845	15,855
Bank overdrafts	(281)	(332)
	55,412	68,329

(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 2020 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 financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards 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 2020.

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, Financial Instruments, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)**
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)**

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

- MFRS 17, *Insurance Contracts**
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 October 2020 for those amendments that are effective for annual periods beginning on or after 1 January 2020.

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

A1. Basis of Preparation (continued)

- from the annual period beginning on 1 October 2021 for those amendments that are effective for annual periods beginning on or after 1 January 2021.
- from the annual period beginning on 1 October 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for amendments * which are not applicable to the Group and the Company.
- from the annual period beginning on 1 October 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 which is not applicable to the Group and the Company.

The initial application of the abovementioned accounting standards and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group.

A2. Auditors’ Report on Preceding Annual Financial Statements

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

A3. Seasonality or Cyclical Factors

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

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

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

A5. Nature and Amount of Changes in Estimates

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

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

A6. 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 2020 / 31 December 2020	4,000	5,050

A7. Dividends Paid and Distributed

During the quarter under review, The Board of Directors has declared a second interim dividends of 3 sen per ordinary share, amounting to RM3.9 million in respect of the financial year ended 30 September 2020. The dividend was paid to the shareholders of the Company on 8 January 2021.

A8. Segmental Information

Segmental information in respect of the Group’s business activities for the financial year to date ended 31 December 2020.

	Revenue RM’000	Profit before Tax RM’000
Marketing and Distribution	19,857	2,963
Manufacturing	23,917	836
Services	11,023	4,064
High Voltage System	11,353	519
Reportable segments	<u>66,150</u>	<u>8,382</u>

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

A9. Subsequent Material Event

- (i) On 4 January 2021, the Company disposed 4,000 treasury shares at RM2.18 per share totalling RM8,720.
- (ii) The Company had announced the following:
 - (a) On 2 February 2021, the bonus issue of shares has been completed following the listing of and quotation for 130,000,000 bonus shares issued pursuant to the bonus issue of shares on the Main Market of Bursa Securities; and
 - (b) On 10 February 2021, the bonus issue of warrants has been completed following the listing of and quotation for 86,665,951 free warrants issued pursuant to the bonus issue of warrants on the Main Market of Bursa Securities.

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>7,295</u>

A12. Changes in Contingent Liabilities

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

	RM'000
At 1 October 2020	381,721
Increased in borrowing facilities	800
At 31 December 2020	<u>382,521</u>

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

	RM'000
At 1 October 2020	38,727
Addition	(187)
At 31 December 2020	<u>38,540</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.
QL Figo (Johor) Sdn Bhd (“QLFJ”)	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.

	Cumulative Financial Quarter Ended	
	31.12.2020 RM’000	31.12.2019 RM’000
<u>CTL Automation Sdn Bhd (“CTL”)</u>		
- Repairs and purchase of elevators parts	(200)	(136)
- Sales of electrical equipment	23	-
<u>QL Foods Sdn Bhd (“QLF”)</u>		
- Sales of electrical equipment	79	103
<u>QL Figo (Johor) Sdn Bhd (“QLFJ”)</u>		
- Sales of electrical equipment	1,965	-
<u>Sigriner Automation (MFG) Sdn Bhd (“Sigriner”)</u>		
- Sales of elevator controllers and components	80	42
- Management fee and rental	49	-
- Purchase of elevator controllers	(1,860)	(243)

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

B1. Review of Performance for the Current Financial Quarter and Financial Year To-Date

	Individual Financial Quarter Ended		% change	Cumulative Financial Quarter Ended		% change
	31.12.2020 RM'000	31.12.2019 RM'000		31.12.2020 RM'000	31.12.2019 RM'000	
Revenue						
Marketing and Distribution	19,857	21,065	(5.7%)	19,857	21,065	(5.7%)
Manufacturing	23,917	28,034	(14.7%)	23,917	28,034	(14.7%)
Services	11,023	7,733	42.5%	11,023	7,733	42.5%
High Voltage System	11,353	13,190	(13.9%)	11,353	13,190	(13.9%)
Total	<u>66,150</u>	<u>70,022</u>	(5.5%)	<u>66,150</u>	<u>70,022</u>	(5.5%)
Profit before Tax ("PBT")						
Marketing and Distribution	2,963	2,344	26.4%	2,963	2,344	26.4%
Manufacturing	836	473	76.7%	836	473	76.7%
Services	4,064	4,362	(6.8%)	4,064	4,362	(6.8%)
High Voltage System	519	962	(46.0%)	519	962	(46.0%)
Total	<u>8,382</u>	<u>8,141</u>	3.0%	<u>8,382</u>	<u>8,141</u>	3.0%

The total revenue of the Group for the current quarter decreased by RM3.9 million or 5.5% as compared to the preceding year corresponding quarter due to lower revenue from Marketing and Distribution, Manufacturing and High Voltage System segments. However, this was mitigated by higher revenue from Services segment.

The total PBT of the Group for the current quarter increased by RM0.2 million or 3% despite lower revenue recorded, mainly due to reversal of inventories written down to net realisable value and foreign exchange gain.

**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 RM1.2 million or 5.7% mainly due to lower demand for electrical and electronics (“E&E”) components.

Current quarter PBT increased by RM0.6 million or 26.4% despite lower revenue due to lower administrative expenses, distribution costs and reversal of inventories written down to net realisable value.

(ii) Manufacturing Segment

Current quarter revenue decreased by RM4.1 million or 14.7% mainly due to lower execution of elevator projects.

Current quarter PBT increased by RM0.4 million or 76.7% despite lower revenue mainly due to reversal of inventories written down to net realisable value and reversal of impairment loss on trade receivables.

(iii) Service Segment

Current quarter revenue increased by RM3.3 million or 42.5% mainly due to higher repair sales and higher project execution of electrical and security system.

Current quarter PBT decreased by RM0.3 million or 6.8% despite higher revenue mainly due to higher administrative expenses and allowance for impairment loss on trade receivables.

(iv) High Voltage System Segment

Current quarter revenue decreased by RM1.8 million or 13.9% due to lower execution of Transmission Sub-station projects.

Current quarter PBT decreased by RM0.4 million or 46.0% in tandem with lower revenue.

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

B2. Review of Current Financial Quarter Performance against Preceding Quarter

	Individual Financial Quarter Ended		% change
	31.12.2020 RM'000	30.09.2020 RM'000	
Revenue			
Marketing and Distribution	19,857	18,655	6.4%
Manufacturing	23,917	30,962	(22.8%)
Services	11,023	9,632	14.4%
High Voltage System	11,353	19,307	(41.2%)
Total	66,150	78,556	(15.8%)
Profit before Tax ("PBT")			
Marketing and Distribution	2,963	1,417	109.1%
Manufacturing	836	1,947	(57.1%)
Services	4,064	2,666	52.4%
High Voltage System	519	361	43.8%
Total	8,382	6,391	31.2%

The total revenue of the Group for the current quarter decreased by RM12.4 million or 15.8% against preceding quarter mainly due to lower revenue from Manufacturing and High Voltage System segments.

The total PBT of the Group for the current quarter increased by RM2.0 million or 31.2% against preceding quarter mainly due to reversal of inventories written down to net realisable value and fair value gain on valuation on 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)

(i) Marketing and Distribution Segment

Current quarter revenue increased by RM1.2 million or 6.4% due to higher demand for E&E components.

Current quarter PBT increased by RM1.5 million or 109.1% in tandem with higher revenue and reversal of inventories written down to net realisable value.

(ii) Manufacturing Segment

Current quarter revenue decreased by RM7.0 million or 22.8% mainly due to lower execution of elevator projects.

Current quarter PBT decreased by RM1.1 million or 57.1% corresponding with lower revenue and higher administrative expenses.

(iii) Services Segment

Current quarter revenue increased by RM1.4 million or 14.4% mainly due to higher revenue from elevator maintenance contract and repair sales.

Current quarter PBT increased by RM1.4 million or 52.4% in tandem with higher revenue recorded.

(iv) High Voltage System Segment

Current quarter revenue decreased by RM8.0 million or 41.2% mainly due to lower execution of Transmission Sub-station projects.

Current quarter PBT however increased by RM0.2 million or 43.8% mainly due to higher fair value gain on valuation on forward exchange contracts and lower administrative expenses.

B3. Commentary on Prospects

With the COVID-19 pandemic expected to continue to impact the general business environment, the Group's prospects in 2021 remain challenging. However, the Group will continue to be vigilant to the changes in the external environment. With the current order book and ongoing projects in hand, barring any unforeseen circumstances, the Board of Directors expects the Group to achieve satisfactory results for the financial quarter ending 31 March 2021.

B4. Profit Forecast

No profit forecast was published during the period under review.

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

B5. Tax Expense

	Individual Financial Quarter Ended 31.12.2020 RM'000	Cumulative Financial Quarter Ended 31.12.2020 RM'000
Current tax expense		
- current period	1,299	1,299
- prior period	-	-
	1,299	1,299
Deferred tax expense		
Origination and reversal of temporary differences		
- current period	711	711
- prior period	180	180
	891	891
Total current tax recognised in profit or loss	2,190	2,190
Share of tax of equity-accounted joint venture	26	26
Total tax expense	2,216	2,216

B6. Status of Corporate Proposals Announced

The Company had announced the following:

- (i) On 2 February 2021, the bonus issue of shares has been completed following the listing of and quotation for 130,000,000 bonus shares issued pursuant to the bonus issue of shares on the Main Market of Bursa Securities; and
- (ii) On 10 February 2021, the bonus issue of warrants has been completed following the listing of and quotation for 86,665,951 free warrants issued pursuant to the bonus issue of warrants on the Main Market of Bursa Securities.

Save as disclosed above, there are no other corporate proposals announced but not completed at the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

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

B7. Group Borrowings

	As at 31.12.2020		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Term Loan	15,860	1,147	17,007
Unsecured			
Banker's acceptance	-	8,618	8,618
Bank overdrafts	-	281	281
	15,860	10,046	25,906

	As at 31.12.2019		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Term Loan	15,553	1,063	16,616
Unsecured			
Banker's acceptance	-	30,786	30,786
Bank overdrafts	-	332	332
	15,553	32,181	47,734

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 Dividend

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

B10. Earnings per Ordinary Share

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

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

	Individual Financial Quarter Ended		Year-to-date Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Profit for the period attributable to owners (RM'000)	6,030	6,073	6,030	6,073
Weighted average number of ordinary shares in issue ('000)*	129,996	129,996	129,996	129,996
Basic EPS (sen)	<u>4.64</u>	<u>4.67</u>	<u>4.64</u>	<u>4.67</u>

Note:

* The weighted average number of ordinary shares outstanding as at 31 December 2020 excluding treasury shares held by the Company.

(b) Diluted EPS

During the financial period, 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.

B11. Financial Instruments

Outstanding derivatives as at 31 December 2020 is as follow:

	Contract / Notional Value RM'000	Fair Value RM'000
Type of derivatives		
Less than 1 year:-		
Forward exchange contract	<u>87,717</u>	<u>38</u>

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

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

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

	Individual Financial Quarter Ended		Year-to-date Ended	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Profit for the period is arrived after charging / (crediting):				
Interest expense on lease liability	47	20	47	20
Depreciation and amortisation	646	549	646	549
Depreciation for right-of-use assets	547	508	547	508
Allowance for / (Reversal of) impairment loss on trade receivables	293	(137)	293	(137)
Gain on disposal of properties, plant and equipment	(3)	-	(3)	-
(Reversal of) / Inventories written down to net realisable value	(823)	(62)	(823)	(62)
Property, plant and equipment written off	1	-	1	-
Foreign exchange (gain) / loss, net	(415)	176	(415)	176
Allowance for / (Reversal of) foreseeable loss	302	(423)	302	(423)
Fair value loss / (gain) on forward exchange contracts	15	(174)	15	(174)
Provision for warranties-net	3	11	3	11

B13. Authority for Issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Directors dated 22 February 2021.