



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

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2024

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Financial Quarter Ended				Cumulative Financial Quarter Ended			
	30.06.2024	30.06.2023	Changes		30.06.2024	30.06.2023	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	90,560	87,590	2,970	3.4%	290,319	232,009	58,310	25.1%
Results from operating activities	5,596	3,708	1,888	50.9%	18,735	6,665	12,070	181.1%
Finance costs	(789)	(797)	8	1.0%	(2,353)	(2,102)	(251)	(11.9%)
Finance income	130	108	22	20.4%	379	324	55	17.0%
Net finance costs	(659)	(689)	30	4.4%	(1,974)	(1,778)	(196)	(11.0%)
Share of (loss) / profit of equity-accounted joint venture, net of tax	(40)	108	(148)	(137.0%)	(138)	(86)	(52)	(60.5%)
Profit before tax	4,897	3,127	1,770	56.6%	16,623	4,801	11,822	246.2%
Tax expense	(2,603)	(3,287)	684	20.8%	(6,404)	(4,354)	(2,050)	(47.1%)
Profit / (Loss) for the period	2,294	(160)	2,454	1,533.8%	10,219	447	9,772	2,186.1%



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(The figures have not been audited)

	Individual Financial				Cumulative Financial			
	Quarter Ended		Changes		Quarter Ended		Changes	
	30.06.2024	30.06.2023	RM'000	%	30.06.2024	30.06.2023	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Other comprehensive (expenses) / income, net of tax								
Foreign currency translation differences for foreign operations	(69)	404	(473)	(117.1%)	111	686	(575)	(83.8%)
Total other comprehensive (expenses) / income for the period	(69)	404	(473)	(117.1%)	111	686	(575)	(83.8%)
Total comprehensive income for the period	<u>2,225</u>	<u>244</u>	1,981	811.9%	<u>10,330</u>	<u>1,133</u>	9,197	811.7%
Profit / (Loss) attributable to:								
Owners of the Company	4,060	1,690	2,370	140.2%	13,221	4,675	8,546	182.8%
Non-controlling interests	(1,766)	(1,850)	84	4.5%	(3,002)	(4,228)	1,226	29.0%
	<u>2,294</u>	<u>(160)</u>	2,454	1,533.8%	<u>10,219</u>	<u>447</u>	9,772	2,186.1%



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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	
	30.06.2024	30.06.2023	RM'000	%	30.06.2024	30.06.2023	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Total comprehensive income / (expenses)								
attributable to:								
Owners of the Company	3,990	2,053	1,937	94.3%	13,313	5,292	8,021	151.6%
Non-controlling interests	(1,765)	(1,809)	44	2.4%	(2,983)	(4,159)	1,176	28.3%
	<u>2,225</u>	<u>244</u>	1,981	811.9%	<u>10,330</u>	<u>1,133</u>	9,197	811.7%
Earnings per share:								
- Basic (sen)	<u>1.35</u>	<u>0.65</u>	0.70	107.7%	<u>4.66</u>	<u>1.80</u>	2.86	158.9%
- Diluted (sen)	<u>1.35</u>	<u>0.65</u>	0.70	107.7%	<u>4.66</u>	<u>1.77</u>	2.89	163.3%

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

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2024

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Financial			
	Quarter Ended			
	30.06.2024	31.03.2024	RM'000	%
	RM'000	RM'000	RM'000	
Revenue	90,560	85,142	5,418	6.4%
Results from operating activities	5,596	2,422	3,174	131.0%
Finance costs	(789)	(786)	(3)	(0.4%)
Finance income	130	102	28	27.5%
Net finance costs	(659)	(684)	25	3.7%
Share of loss of equity-accounted joint venture, net of tax	(40)	(37)	(3)	(8.1%)
Profit before tax	4,897	1,701	3,196	187.9%
Tax expense	(2,603)	(1,903)	(700)	(36.8%)
Profit / (Loss) for the period	2,294	(202)	2,496	1,235.6%
Other comprehensive (expenses) / income, net of tax				
Foreign currency translation differences for foreign operations	(69)	60	(129)	(215.0%)
Total comprehensive income /(expenses) for the period	2,225	(142)	2,367	1,666.9%
Profit / (Loss) attributable to:				
Owners of the Company	4,060	1,671	2,389	143.0%
Non-controlling interests	(1,766)	(1,873)	107	5.7%
	2,294	(202)	2,496	1,235.6%

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2024

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

(The figures have not been audited)

	Individual Financial		Changes	
	Quarter Ended			
	30.06.2024	31.03.2024	RM'000	%
	RM'000	RM'000		
Total comprehensive income / (expenses)				
attributable to:				
Owners of the Company	3,990	1,725	2,265	131.3%
Non-controlling interests	(1,765)	(1,867)	102	5.5%
	<u>2,225</u>	<u>(142)</u>	2,367	1,666.9%
Earnings per share:				
- Basic (sen)	<u>1.35</u>	<u>0.58</u>	0.77	132.8%
- Diluted (sen)	<u>1.35</u>	<u>0.58</u>	0.77	132.8%

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

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Note	30.06.2024 RM'000 (Unaudited)	30.09.2023 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		43,538	44,447
Right-of-use assets		7,798	8,946
Intangible assets		2,309	225
Investment properties		11,140	9,482
Investment in joint venture		1,085	1,223
Finance lease receivables		8	-
Deferred tax assets		6,754	6,305
Total non-current assets		72,632	70,628
Current assets			
Inventories		51,059	49,868
Contract assets		84,641	93,537
Trade and other receivables		101,502	70,681
Finance lease receivables		13	-
Current tax assets		1,449	3,122
Deposits and prepayments		15,336	11,212
Derivative financial assets		3	2,599
Other investments		1,139	1,096
Cash and cash equivalents		60,774	60,534
Total current assets		315,916	292,649
TOTAL ASSETS		388,548	363,277
EQUITY AND LIABILITIES			
Equity			
Share capital		98,569	69,382
Reserves		154,920	144,247
Total equity attributable to owners of the Company		253,489	213,629
Non-controlling interests		(3,130)	770
TOTAL EQUITY		250,359	214,399

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

EQUITY AND LIABILITIES (continued)	Note	30.06.2024 RM'000 (Unaudited)	30.09.2023 RM'000 (Audited)
Non-current liabilities			
Loans and borrowings	B7	9,930	10,542
Lease liabilities		1,759	2,566
Deferred income		177	222
Deferred tax liabilities		1,031	1,023
Total non-current liabilities		12,897	14,353
Current liabilities			
Loans and borrowings	B7	37,254	56,899
Lease liabilities		1,752	1,944
Deferred income		59	59
Provision for warranties		414	671
Trade and other payables		64,540	47,683
Contract liabilities		18,893	26,114
Current tax payable		1,857	968
Derivative financial liabilities		523	187
Total current liabilities		125,292	134,525
TOTAL LIABILITIES		138,189	148,878
TOTAL EQUITY AND LIABILITIES		388,548	362,277
Net assets per share attributable to equity holders of the Company (RM)		0.84	0.82

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

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2024

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	Attributable to owners of the Company			Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Translation Reserve RM'000	Distributable Retained Profits RM'000			
<u>Period Ended 30 June 2024</u>						
At 1 October 2023	69,382	2,249	141,998	213,629	770	214,399
Foreign currency translation differences for foreign operation	-	92	-	92	19	111
Profit / (Loss) for the period	-	-	13,221	13,221	(3,002)	10,219
Total comprehensive income / (expenses) for the period	-	92	13,221	13,313	(2,983)	10,330
Dividends to owners of the Company	-	-	(2,634)	(2,634)	-	(2,634)
Dividends to non-controlling interests	-	-	-	-	(112)	(112)
Acquisition through business combination	-	-	-	-	288	288
Changes in ownership in a subsidiary	-	-	(6)	(6)	(1,093)	(1,099)
Share options exercised	29,187	-	-	29,187	-	29,187
Total transactions with owners of the Company	29,187	-	(2,640)	26,547	(917)	25,630
At 30 June 2024	98,569	2,341	152,579	253,489	(3,130)	250,359

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2024

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

(The figures have not been audited)

	Attributable to owners of the Company			Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Translation Reserve RM'000	Retained Profits RM'000			
<u>Period Ended 30 June 2023</u>						
At 1 October 2022	69,382	1,608	137,967	208,957	3,917	212,874
Foreign currency translation differences for foreign operation	-	617	-	617	69	686
Profit / (loss) for the period	-	-	4,675	4,675	(4,228)	447
Total comprehensive income / (expenses) for the period	-	617	4,675	5,292	(4,159)	1,133
Changes in ownership in a subsidiary	-	-	-	-	122	122
Dividend to owners of the Company	-	-	(3,902)	(3,902)	-	(3,902)
Dividends to non-controlling interests	-	-	-	-	(127)	(127)
Total transactions with owners of the Company	-	-	(3,902)	(3,902)	(5)	(3,907)
At 30 June 2023	69,382	2,225	138,740	210,347	(247)	210,100

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

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2024

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	9 Months Period Ended	
	30.06.2024	30.06.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	16,623	4,801
Adjustments for:		
Allowance for foreseeable losses	326	59
Amortisation of development costs	45	47
Amortisation of investment properties	128	96
Bad debts written off	1	300
Depreciation of property, plant and equipment	2,493	2,439
Depreciation of right-of-use assets	1,565	1,639
Fair value loss / (gain) on forward exchange contracts, net	2,932	(4,005)
Finance costs	2,353	2,102
Finance income	(379)	(324)
Gain on modification of right-of-use assets	(5)	(6)
Loss on disposal of property, plant and equipment	21	656
(Reversal of) / Provision for liquidated and ascertained damages	(551)	1,724
(Reversal of) / Provision for warranties, net	(160)	351
Share of loss of equity-accounted joint venture, net of tax	138	86
Unrealised foreign exchange gain	(70)	(14)
	<hr/>	<hr/>
Operating profit before changes in working capital	25,460	9,951
Changes in working capital:		
Inventories	(1,175)	(3,782)
Trade and other receivables, deposits and prepayments	(17,100)	(17,471)
Trade and other payables	(2,678)	861
	<hr/>	<hr/>
Cash generated from / (used in) operations	4,507	(10,441)
Income taxes paid	(3,972)	(5,190)
Interest paid	(233)	(433)
Interest received	379	324
	<hr/>	<hr/>
Net cash generated from / (used in) operating activities	681	(15,740)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	(1)	(3)
Acquisition of investment properties	(377)	(69)
Acquisition of subsidiary, net of cash	(182)	-
Proceeds from disposal of other investment	-	10
Proceeds from disposal of property, plant and equipment	233	3
Purchase of property, plant and equipment	(1,340)	(3,247)
	<hr/>	<hr/>
Net cash used in investing activities	(1,667)	(3,306)
	<hr/>	<hr/>

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2024

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(The figures have not been audited)

	9 Months Period Ended	
	30.06.2024	30.06.2023
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Changes in ownership in a subsidiary	(1,099)	122
Dividend paid to non-controlling interest	(112)	(127)
Dividend paid to owners of the company	(2,634)	(3,902)
Interest paid	(2,120)	(1,669)
Proceeds from share options exercised	29,187	-
(Repayment of) / Proceeds from loans and borrowings, net	(19,976)	905
Repayment of lease liabilities, net	(1,475)	(1,666)
	<hr/>	<hr/>
Net cash generated from / (used in) financing activities	1,771	(6,337)
	<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents	785	(25,383)
Foreign exchange differences on cash held	38	499
Cash and cash equivalents at beginning of the financial year	59,668	76,950
	<hr/>	<hr/>
Cash and cash equivalents at end of the financial period	60,491	52,066
	<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents included in the statements of cash flows comprise:		
Cash and bank balances	45,574	39,205
Liquid investments	15,200	13,167
Bank overdrafts	(283)	(306)
	<hr/>	<hr/>
	60,491	52,066
	<hr/> <hr/>	<hr/> <hr/>

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

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

A1. Basis of Preparation

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

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

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

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

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

A2. Auditors’ Report on Preceding Annual Financial Statements

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

A3. Seasonality or Cyclical Factors

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

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

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

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

A5. Nature and Amount of Changes in Estimates

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

A6. Dividends Paid and Distributed

On 17 May 2024, the Board of Directors’ (“Board”) has declared a first interim dividend of 1.25 sen per ordinary share in respect of the financial year ending 30 September 2024, which was paid on 9 July 2024.

A7. Segmental Information

Segmental information in respect of the Group’s business activities for the financial year to date ended 30 June 2024.

	Revenue RM’000	Profit / (Loss) before Tax RM’000
Marketing and Distribution	65,353	7,319
Manufacturing	114,275	266
Services	40,837	15,591
High Voltage System	69,854	(6,553)
Reportable segments	290,319	16,623

A8. Subsequent Material Event

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

A9. Changes in the Composition of the Group

On 8 April 2024, the Company had completed the acquisition of the remaining 50,000 ordinary shares of Eita Technologies Pte Ltd (“ETS”), representing 10% of the existing issued share capital of ETS from Mr. Andrew Chua Wei Hiong for a total cash consideration of SGD314,235 (or equivalent to RM1,114,906). In consequence thereof, ETS becomes a wholly-owned subsidiary of the Company.

On 14 May 2024, the Company had completed the acquisition of 400,000 ordinary shares of Branco Accessibility Solution (M) Sdn Bhd (“Branco”), representing 80% of the existing issued share capital of Branco from Bran County (M) Sdn Bhd (“BCM”) for a total cash consideration of RM3.28 million, of which 40% of the cash consideration will be paid to BCM in proportion to the realisation of the agreed performance. In consequence thereof, Branco becomes an 80% owned subsidiary of the Company.

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

A10. Capital Commitments

The Group’s outstanding capital commitments as at 30 June 2024 not provided for in the financial statements are as follows:

	RM’000
Balance purchase consideration for the acquisition of property, plant and equipment	<u>1,735</u>

A11. Changes in Contingent Liabilities

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

	RM’000
At 1 October 2023	497,809
Increase in borrowing facilities	-
At 30 June 2024	<u>497,809</u>

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

	RM’000
At 1 October 2023	61,307
Upliftment	(9,062)
At 30 June 2024	<u>52,245</u>

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

A12. Significant Related Party Transactions

The Group has the following significant transactions with the related parties during the financial quarter under review:

Company	Relationship
CTL Automation Sdn Bhd	A company in which two (2) of the directors and substantial shareholders are the brother and sister-in-law of the Group Managing Director, Mr. Lim Joo Swee.
Sigriner Automation (MFG) Sdn Bhd	A 50% joint venture company of EITA-Schneider (Mfg) Sdn Bhd (“ESM”) in which a director is the Executive Director of EITA, the holding company of ESM.

	Cumulative Financial Quarter Ended	
	30.06.2024 RM’000	30.06.2023 RM’000
<u>CTL Automation Sdn Bhd</u>		
- Sales of electrical equipment	43	33
- Supply, install, testing and commissioning of electrical work and equipment	(10)	(2)
- Repairs and purchase of elevator parts	(590)	(422)
<u>Sigriner Automation (MFG) Sdn Bhd</u>		
- Provision of management services and rental	293	273
- Sales of elevator parts and components	79	195
- Purchase of robotic	-	(50)
- Purchase of elevator controllers	(1,473)	(3,188)

**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		%	Cumulative Financial Quarter Ended		%
	30.06.2024 RM'000	30.06.2023 RM'000		change	30.06.2024 RM'000	
Revenue						
Marketing and Distribution	22,255	22,910	(2.9%)	65,353	69,685	(6.2%)
Manufacturing	44,305	26,880	64.8%	114,275	89,626	27.5%
Services	13,783	11,938	15.5%	40,837	31,104	31.3%
High Voltage System	10,217	25,862	(60.5%)	69,854	41,594	67.9%
Total	90,560	87,590	3.4%	290,319	232,009	25.1%
Profit / (Loss) before Tax						
Marketing and Distribution	2,277	3,690	(38.3%)	7,319	6,961	5.1%
Manufacturing	883	(1,317)	167.0%	266	(1,135)	123.4%
Services	5,784	4,083	41.7%	15,591	9,975	56.3%
High Voltage System	(4,047)	(3,329)	(21.6%)	(6,553)	(11,000)	40.4%
Total	4,897	3,127	56.6%	16,623	4,801	246.2%

The Group's revenue for the current quarter increased by RM3.0 million or 3.4% as compared to the preceding year's corresponding quarter mainly due to higher revenue from the Manufacturing and Services segments but partly offset by lower revenue from the Marketing and Distribution and High Voltage System segments.

Cumulatively, the Group's revenue increased by RM58.3 million or 25.1% as compared to the preceding corresponding period mainly due to higher revenue from the High Voltage System, Manufacturing and Services segments.

The Group's profit before tax ("PBT") for the current quarter increased by RM1.8 million or 56.6% mainly due to higher PBT from the Manufacturing and Services segments. However, this was partially offset by the lower PBT from the Marketing and Distribution segment and the higher loss before tax ("LBT") from the High Voltage System segment.

Cumulatively, the Group's PBT increased by RM11.8 million or 246.2% mainly due to higher PBT from the Services, Marketing and Distribution and Manufacturing segments, as well as lower LBT from the High Voltage System segment.

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

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

The Marketing and Distribution segment's revenue for the current quarter decreased by RM0.7 million or 2.9% mainly due to lower revenue from the Control business. However, this was partially offset by higher revenue from the Power business.

The Marketing and Distribution segment's cumulative revenue decreased by RM4.3 million or 6.2% for the same reasons.

The Marketing and Distribution segment's PBT for the current quarter decreased by RM1.4 million or 38.3% mainly due to lower revenue, lower reversal of provision for inventories written down to net realisable value and higher administrative and distribution expenses.

The Marketing and Distribution segment's cumulative PBT increased by RM0.4 million or 5.1% mainly due to lower administrative expenses and lower stock written off.

(ii) Manufacturing Segment

The Manufacturing segment's revenue for the current quarter increased by RM17.4 million or 64.8% mainly due to higher revenue from the Elevator and Busduct businesses. However, these were partially offset by lower revenue from the Ballast business.

The Manufacturing segment's cumulative revenue increased by RM24.6 million or 27.5% for the same reasons.

The Manufacturing segment recorded a PBT of RM0.9 million for the current quarter as compared to a LBT for the preceding year's corresponding quarter amounting to RM1.3 million mainly due to higher revenue. However, this was partially offset by the higher administrative expenses, higher fair value loss on derivatives and lower net gain on foreign exchange.

The Manufacturing segment recorded a cumulative PBT of RM0.3 million for the current quarter as compared to a cumulative LBT in the preceding year's corresponding quarter which amounted to RM1.1 million, mainly due to higher revenue, higher reversal of allowance for doubtful debts and higher net gain on foreign exchange. However, these were partially offset by the higher administrative and distribution expenses as well as higher fair value loss on derivatives.

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

**B1. Review of Performance for the Current Financial Quarter and Financial Year To Date
(continued)****(iii) Services Segment**

The Services segment's revenue for the current quarter increased by RM1.8 million or 15.5% mainly due to higher elevator maintenance contracts and repair sales.

The Services segment's cumulative revenue increased by RM9.7 million or 31.3% for the same reason.

The Services segment's PBT for the current quarter increased by RM1.7 million or 41.7% mainly due to higher revenue and lower administrative expenses.

The Services segment's cumulative PBT increased by RM5.6 million or 56.3% mainly due to higher revenue and higher reversal of allowance for doubtful debts. However, these were partially offset by higher administrative and distribution expenses.

(iv) High Voltage System Segment

The High Voltage System segment's revenue for the current quarter decreased by RM15.6 million or 60.5% mainly due to the lower execution of Transmission Sub-Station projects in East Malaysia.

The High Voltage System segment's cumulative revenue increased by RM28.3 million or 67.9% mainly due to higher execution of Transmission Sub-Station projects in Peninsular Malaysia.

The High Voltage System segment's LBT for the current quarter increased by RM0.7 million or 21.6% mainly due to lower revenue and lower fair value gain on derivatives. However, these were partially offset by the lower provision for liquidated ascertained damages.

The High Voltage System segment's cumulative LBT decreased by RM4.4 million or 40.4% mainly due to higher revenue, higher net gain on foreign exchange and lower provision for liquidated ascertained damages. However, these were partially offset by the higher fair value loss on derivatives.

**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
	30.06.2024 RM'000	31.03.2024 RM'000	
Revenue			
Marketing and Distribution	22,255	22,046	0.9%
Manufacturing	44,305	36,586	21.1%
Services	13,783	14,543	(5.2%)
High Voltage System	10,217	11,967	(14.6%)
Total	90,560	85,142	6.4%
Profit / (Loss) before Tax			
Marketing and Distribution	2,277	2,056	10.7%
Manufacturing	883	(1,210)	173.0%
Services	5,784	5,068	14.1%
High Voltage System	(4,047)	(4,213)	3.9%
Total	4,897	1,701	187.9%

The Group's revenue for the current quarter increased by RM5.4 million or 6.4% against the preceding quarter mainly due to higher revenue from the Manufacturing and Marketing and Distribution segments but partly offset by lower revenue from the High Voltage System and Services segments.

The Group's PBT for the current quarter increased by RM3.2 million or 187.9% as compared to the preceding quarter mainly due to higher PBT for the Services and Marketing and Distribution segments, PBT recorded for the Manufacturing segment and lower LBT for the High Voltage System segment.

(i) Marketing and Distribution Segment

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

The Marketing and Distribution segment's PBT for the current quarter increased by RM0.2 million or 10.7% mainly due to lower provision for inventories written down to net realisable value.

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

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

(ii) Manufacturing Segment

The Manufacturing segment's revenue for the current quarter increased by RM7.7 million or 21.1% mainly due to higher revenue from the Elevator and Busduct businesses.

The Manufacturing segment recorded a PBT of RM0.9 million for the current quarter as compared to an LBT of RM1.2 million in the preceding quarter mainly due to higher revenue. However, this was partially offset by the higher administrative expenses, higher fair value loss on derivatives and lower net gain on foreign exchange.

(iii) Services Segment

The Services segment's revenue for the current quarter decreased by RM0.8 million or 5.2% mainly due to lower elevator maintenance contracts and repair sales.

The Services segment's PBT for the current quarter increased by RM0.7 million or 14.1% mainly due to higher reversal of allowance for doubtful debts and lower distribution cost.

(iv) High Voltage System Segment

The High Voltage System segment's revenue for the current quarter decreased by RM1.8 million or 14.6% mainly due to the lower execution of Transmission Sub-Station projects in Peninsular Malaysia.

The High Voltage System segment's LBT decreased marginally by RM0.2 million or 3.9% mainly due to lower fair value loss on derivatives and reversal of provision for liquidated ascertained damages.

B3. Commentary on Prospects

The Malaysian economy is expected to strengthen driven by the strong performance in the construction, services and manufacturing sectors. In addition, the Government's implementation of the New Industrial Master Plan 2030 is expected to further strengthen the performance of the construction sector. Furthermore, in the Government's effort to improve the standard of living and safety of the general public, more upgrading works and replacement works are being carried out in government offices and quarters. These efforts augur well for the Group's various business segments.

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

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

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

B4. Profit Forecast

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

B5. Tax Expense

	Individual Financial Quarter Ended 30.06.2024 RM'000	Cumulative Financial Quarter Ended 30.06.2024 RM'000
Current tax expense		
- current period	3,180	6,927
- prior period	(67)	(73)
	3,113	6,854
Deferred tax expense		
Origination and reversal of temporary differences		
- current period	(630)	(657)
- prior period	120	207
	(510)	(450)
Total current tax recognised in profit or loss	2,603	6,404
Share of tax of equity-accounted joint venture	(48)	(11)
Total tax expense	2,555	6,393

The effective tax rate of the Group for the cumulative financial quarter under review is 38% which is higher than the statutory tax rate of 24%. The higher effective tax rate was mainly due to the losses of the High Voltage System segment which cannot be set off against the taxable profits made by the other business segments. In addition, there are certain expenses which are not deductible for tax purposes.

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

B6. Status of Corporate Proposals Announced

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

B7. Group Borrowings

The Group's borrowings are as follows:

	As at 30.06.2024		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Finance lease liabilities	468	311	779
Term loans	9,462	2,121	11,583
Unsecured			
Banker's acceptance	-	16,339	16,339
Bank overdrafts	-	283	283
Revolving credit	-	18,200	18,200
	9,930	37,254	47,184

	As at 30.06.2023		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Finance lease liabilities	712	281	993
Term loans	10,294	2,574	12,868
Unsecured			
Banker's acceptance	-	16,457	16,457
Bank overdrafts	-	306	306
Revolving credit	-	15,700	15,700
	11,006	35,318	46,324

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

B8. Change in Material Litigations

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

B9. Proposed Dividend

No dividend has been declared or recommended for payment by the Company for the current financial quarter.

B10. Earnings per Ordinary Share

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

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

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Profit for the period attributable to owners (RM'000)	<u>4,060</u>	<u>1,690</u>	<u>13,221</u>	<u>4,675</u>
Weighted average number of ordinary shares in issue ('000)	301,810	260,113	283,640	260,113
Basic EPS (sen)	<u>1.35</u>	<u>0.65</u>	<u>4.66</u>	<u>1.80</u>

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

B10. Earnings per Ordinary Share (continued)

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

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

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Profit for the period attributable to owners (RM'000)	4,060	1,690	13,221	4,675
Weighted average number of ordinary shares in issue ('000) (basic)	301,810	260,113	283,640	260,113
Effect of dilution of share options ('000)	-	895	-	3,738
Weighted average number of ordinary shares in issue ('000) (diluted)	301,810	261,008	283,640	263,851
Diluted EPS (sen)	1.35	0.65	4.66	1.77

B11. Financial Instruments

Outstanding derivatives as at 30 June 2024 are as follow:

Type of derivatives	Contract / Notional Value RM'000	Net Derivative Financial Liabilities RM'000
Less than 1 year:		
Forward exchange contract	80,224	(520)

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

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

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

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Profit for the period is arrived after charging / (crediting):				
Allowance for foreseeable loss	105	227	326	59
Bad debts written off	1	123	1	300
Depreciation and amortisation	904	843	2,666	2,582
Depreciation for right-of-use assets	526	628	1,565	1,639
Fair value loss / (gain) on forward exchange contracts, net	661	(2,600)	2,932	(4,005)
Foreign exchange gain, net	(227)	(478)	(3,964)	-
Interest expense on lease liabilities	32	56	104	115
Inventories / (Reversal of inventories) written down to net realisable value	794	(33)	1,891	749
Loss on disposal of property, plant and equipment	41	-	21	656
(Reversal of) / Provision for impairment loss on receivables	(245)	(255)	(763)	1,122
(Reversal of) / Provision for liquidated and ascertained damages	(551)	1,315	(551)	1,724
(Reversal of) / Provision for warranties, net	(53)	9	(160)	351

B13. Authority for Issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Directors dated 21 August 2024.