

## **A. EXPLANATORY NOTES PURSUANT TO MFRS 134**

### **1. Basis of Preparation**

These condensed consolidated interim financial statements are unaudited and has been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

These interim consolidated financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021 which was prepared in accordance with the MFRS. These 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 31 December 2021.

### **2. Changes in Accounting Policies**

The significant accounting policies adopted in the preparation of this condensed report are consistent with those of the audited financial statements for the financial year ended 31 December 2021 except for the mandatory adoption of the Malaysian Financial Reporting Standards (“MFRS”s), Amendments to MFRSs and IC Interpretations effective for the financial period beginning on or after 1 January 2022.

The initial adoption of these MFRSs, Amendments to MFRSs and IC interpretations do not have any material impact on the interim financial statements of the Group.

## 2. Changes in Accounting Policies (Continued)

The Group has not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		<b>Effective for financial periods beginning on or after</b>
<u>New MFRS</u>		
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023#
MFRS 3	Business Combinations	1 January 2023#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2023#
MFRS 9	Financial Instruments	1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#/ 1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial Instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 140	Investment Property	1 January 2023#

# Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

### 3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2021 was not qualified.

### 4. Segment Information

The Group prepared the following segment information in accordance with MFRS 8 Operating Segments based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group's Chief Executive Officer ("CEO") for the purpose of making decisions about resource allocation and performance assessment.

#### Geographical segments

The Group's business segments operate substantially from Malaysia. In determining the geographical segments of the Group, revenues are based on the country in which the customer is located.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31.12.2022 RM'000	Preceding Year Corresponding Quarter Ended 31.12.2021 RM'000	Current Year to Date Ended 31.12.2022 RM'000	Preceding Year Corresponding Period Ended 31.12.2021 RM'000
Malaysia	48,617	53,862	196,933	159,441
Overseas	15,338	18,540	60,788	45,405
	<u>63,955</u>	<u>72,402</u>	<u>257,721</u>	<u>204,846</u>

#### Measurement of Reportable Segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Segment profit or loss is profit earned or loss incurred by each segment with allocation of interest income, depreciation and etc. There are no significant changes from prior financial year in the measurement methods used to determine reported segment statements of comprehensive income.

#### 4. Segment Information (Continued)

##### Measurement of Reportable Segments (Continued)

The three reportable segments are as follows:

- a) Investment Holding;
- b) Cable Support Systems; and
- c) Electrical Lighting and Fittings.

Except as above, no other operating segment has been aggregated to form the above reportable segments.

There are varying levels of integration between Cable Support Systems reportable segments and the Electrical Lighting and Fittings reportable segments. This integration includes sale of raw materials and shared distribution services, respectively.

	<b>Investment Holding RM'000</b>	<b>Cable Support Systems RM'000</b>	<b>Electrical Lighting and Fittings RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated Financial Statements RM'000</b>
<b>Revenue</b>					
External customer	-	56,260	7,695	-	63,955
Inter-segment	3,347	851	4	(4,202)	-
<b>Total revenue</b>	<b>3,347</b>	<b>57,111</b>	<b>7,699</b>	<b>(4,202)</b>	<b>63,955</b>
<b>Results</b>					
Interest income	-	(394)	(66)	-	(460)
Depreciation	10	3,166	182	(546)	2,812
Segment profit	3,056	15,410	180	(3,290)	15,356

#### 5. Unusual Items Due to Their Nature, Size or Incidence

Other than those stated in the notes, there were no unusual items affecting the Group's assets, liabilities, equity, net income, or cash flows during the financial period ended 31 December 2022.

#### 6. Changes in Estimates

There were no changes in estimates that resulted in material effect to the current quarter results.

## **7. Comments about Seasonal or Cyclical Factors**

The Group's performance is not significantly affected by any seasonal or cyclical factors.

## **8. Dividends Paid**

A fourth single-tier interim dividend for the year ended 31 December 2022 of 1.5 sen per ordinary share amounting to RM3.267 million, was paid on 15 December 2022.

## **9. Carrying Amount of Revalued Assets**

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2021.

## **10. Debt and Equity Securities**

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

## **11. Changes in the Composition of the Group**

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

## **12. Discontinued Operations**

There was no disposal of subsidiaries by the Group during the current quarter under review.

### **13. Capital Commitments**

As at 31 December 2022, the Group had capital expenditure authorized and contracted for but not provided in the financial statements in relation to property, plant and equipment amounting to approximately RM585,351.

### **14. Changes in Contingent Assets and Contingent Liabilities**

There were no material changes in other contingent liabilities or contingent assets since 31 December 2021.

### **15. Material Subsequent Events**

In the opinion of the Directors, there were no material events which have arisen between the end of the reporting period and 23 February 2023, which had affected substantially the results of the Group for the financial quarter ended 31 December 2022.

## **B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

### **16. Performance Review on Operating Segments**

#### a) Current year to date vs previous year to date

The Group's revenue for the current period ended 31 December 2022 of RM257.721 million was higher than the previous corresponding period of RM204.846 million, an increase of 25.81% comparatively, mainly due to higher revenue contributions from the Cable Support Systems division.

The Group recorded a decrease in profit before taxation of RM53.474 million for the period ended 31 December 2022 as compared to RM58.351 million in the previous corresponding period, mainly attributable to lower profit margins achieved on goods sold from both Cable Support Systems and Electrical Lighting and Fittings divisions during the period under review.

Performance of the respective operating business segments for the current period ended 31 December 2022 as compared to previous corresponding period are as follows:-

#### *Cable Support Systems*

For the current period ended 31 December 2022, this business segment registered a higher revenue of RM229.059 million as compared to RM175.005 million in the previous corresponding period, an increase of 30.89% comparatively.

This segment recorded a lower profit before taxation of RM53.999 million as compared to RM56.607 million in the previous corresponding period, mainly attributable to lower profit margins achieved on goods sold during the period under review.

## **16. Performance Review on Operating Segments (Continued)**

### a) Current year to date vs previous year to date (Continued)

#### Electrical Lighting and Fittings

For the current period ended 31 December 2022, this business segment registered a marginally lower revenue of RM28.662 million as compared to RM29.841 million in the previous corresponding period, a decrease of 3.95% comparatively.

This segment recorded a lower profit before taxation of RM0.386 million as compared to RM2.401 million in the previous corresponding period, mainly attributable to lower profit margins achieved on goods sold during the period under review.

### b) Current quarter vs previous year corresponding quarter

The Group's revenue for the current quarter ended 31 December 2022 of RM63.955 million was lower than the previous corresponding quarter of RM72.402 million, a decrease of 11.67% comparatively, mainly due to lower revenue contributions from both Cable Support Systems and Electrical Lighting and Fittings divisions.

The Group registered a lower profit before taxation of RM15.356 million for the current quarter ended 31 December 2022 as compared to RM23.082 million in the previous year corresponding quarter, mainly due to lower profit margins achieved on goods sold from both Cable Support Systems and Electrical Lighting and Fittings divisions during the quarter under review.

Performance of the respective operating business segments for the current quarter ended 31 December 2022 as compared to previous corresponding quarter are as follows:-

#### Cable Support Systems

For the current quarter ended 31 December 2022, this business segment registered a lower revenue of RM56.260 million as compared to RM62.122 million in the previous year corresponding quarter, a decrease of 9.44% comparatively.

This division recorded a lower profit before taxation of RM15.410 million for the current quarter as compared to RM22.269 million in the previous year corresponding quarter. This is mainly due to lower profit margins achieved on goods sold during the quarter under review.



## **16. Performance Review on Operating Segments (Continued)**

- b) Current quarter vs previous year corresponding quarter (Continued)

### *Electrical Lighting and Fittings*

For the current quarter ended 31 December 2022, this business segment registered a lower revenue of RM7.695 million as compared to RM10.280 million in the previous year corresponding quarter, a decrease of 25.15% comparatively.

This division recorded a lower profit before taxation of RM0.180 million for the current quarter as compared to RM0.975 million in the previous year corresponding quarter. This is mainly due to lower profit margins achieved on goods sold and lower revenue contributions during the quarter under review.

## **17. Material Changes in Profit Before Taxation for the Current Quarter as Compared to the Preceding Quarter**

For the quarter under review, the Group had achieved a higher profit before taxation of RM15.356 million as compared to RM12.813 million in the immediate preceding quarter. The increase in profit before taxation is mainly due to higher revenue generated, higher net forex gain, higher interest income and lower administration cost incurred during the quarter under review as compared to the immediate preceding quarter.

## **18. Commentary on Prospects**

Malaysia's construction industry is forecast to grow further, in line with the government's focus on completing infrastructure, industrial and energy projects. Under these positive circumstances, the Group believes that the domestic and international markets for Cable Support Systems and Electrical Lighting and Fittings products are expected to improve. Nevertheless, the Group will continue to exercise caution in all its business dealings as future local and global markets condition remain uncertain.

The Group takes cognizance of new measures to enhance its operations and improve its cash flow position. Meanwhile, the Group also optimises its revenue stream by expanding its customer base as downstream players start to replenish their inventories.

## **19. Profit Forecast or Profit Guarantee**

The explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

## 20. Income Tax Expense

	<b>Current Quarter Ended 31.12.2022 RM'000</b>	<b>Current Year to Date Ended 31.12.2022 RM'000</b>
<u>Malaysian income tax</u>		
- Current year	1,595	10,650
- Under provision in prior years	3,288	3,295
<u>Deferred tax</u>		
- Current year	26	26
- Under/(Over) provision in prior years	232	232
	5,141	14,203

## 21. Borrowings

	<b>As at 31.12.2022 RM'000</b>	<b>As at 31.12.2021 RM'000</b>
<u>Short term borrowings</u>		
Secured:-		
- Portion of long term loans payable within the next 12 months	840	840
- Bankers Acceptances	22,730	37,427
- Portion of hire purchase creditors payable within the next 12 months	1,104	1,294
<u>Long term borrowings</u>		
Secured:-		
- Portion of long term loans payable after the next 12 months	1,748	2,588
- Portion of hire purchase creditors payable after the next 12 months	1,115	1,477
Total borrowings	27,537	43,626

There are no borrowings denominated in foreign currency.

## 22. Profit Before Tax for the Period

Profit before taxation for the period is arrived at after charging/(crediting):-

	<u>Current Quarter Ended</u>		<u>Cumulative Quarter Ended</u>	
	<u>31.12.2022</u>	<u>31.12.2021</u>	<u>31.12.2022</u>	<u>31.12.2021</u>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	(460)	(320)	(1,093)	(944)
Gain on disposal of property, plant and equipment	-	(25)	(124)	(29)
Net foreign exchange (gain)/loss	(1,075)	215	(1,696)	259
Depreciation and amortization	2,812	2,956	10,482	10,664
Interest expense	473	357	1,581	1,125
Other income	(558)	(399)	(1,663)	(1,378)
Reversal of impairment loss on receivables	(659)	(213)	(678)	(418)
Insurance recoverable	-	(3)	(43)	(3)

## 23. Gains or Losses arising from Fair Value Changes of Financial Liabilities

There are no gains or losses arising from fair value changes of any financial liabilities.

## 24. Changes in Material Litigation

There was no pending material litigation as at the date of this report.

## 25. Dividend Payable

On 23 February 2023, a first single-tier interim dividend of 1.5 sen per ordinary share for the financial year ending 31 December 2023 amounting to RM3.267 million had been declared by the Board of Directors, payable on 28 March 2023.

## **26. Earnings Per Share**

### a) Basic

The calculation of basic earnings per share for the current quarter and current year to date is based on the Group's profit attributable to equity holders of the Company for the current quarter of RM10.215 million and current year to date of RM39.271 million and the number of ordinary shares in issue of 217,800,000.

### b) Diluted

Not applicable.

## **27. Authorisation for Issue**

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 23 February 2023.