

## 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 2022 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 2022.

### 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 2022 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 2023.

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.

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

<u>Amendments/Improvements to MFRSs</u>		<b>Effective for financial periods beginning on or after</b>
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 128	Investments in Associates and Joint Ventures	Deferred

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

The auditors' report on the financial statements for the year ended 31 December 2022 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.

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter Ended 30.06.2023 RM'000</b>	<b>Preceding Year Corresponding Quarter Ended 30.06.2022 RM'000</b>	<b>Current Year to Date Ended 30.06.2023 RM'000</b>	<b>Preceding Year Corresponding Period Ended 30.06.2022 RM'000</b>
Malaysia	54,516	51,910	98,616	99,694
Overseas	11,741	13,558	24,567	31,786
	<u>66,257</u>	<u>65,468</u>	<u>123,183</u>	<u>131,480</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	-	58,246	8,011	-	66,257
Inter-segment	4,436	1,079	7	(5,522)	-
<b>Total revenue</b>	<b>4,436</b>	<b>59,325</b>	<b>8,018</b>	<b>(5,522)</b>	<b>66,257</b>
<b>Results</b>					
Interest income	-	(496)	(67)	-	(563)
Depreciation	10	2,098	58	-	2,166
Segment profit	4,040	19,467	1,482	(4,356)	20,633

#### 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 30 June 2023.

#### 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**

During the current quarter under review, a second single-tier interim dividend for the year ending 31 December 2023 of 2 sen per ordinary share amounting to RM4.356 million, was paid on 25 May 2023.

## **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 2022.

## **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 30 June 2023, 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 RM3,529,209.

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

There were no material changes in other contingent liabilities or contingent assets since 31 December 2022.

### **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 22 August 2023, which had affected substantially the results of the Group for the financial quarter ended 30 June 2023.

## **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 30 June 2023 of RM123.183 million was lower than the previous corresponding period of RM131.480 million, a decrease of 6.31% comparatively, mainly due to lower revenue contributions from the Cable Support Systems division.

The Group recorded a higher profit before taxation of RM26.616 million for the period ended 30 June 2023 as compared to RM25.304 million in the previous corresponding period, mainly contributed by higher profit margins achieved on goods sold from the Cable Support Systems division during the period under review.

Performance of the respective operating business segments for the current period ended 30 June 2023 as compared to previous corresponding period are as follows:-

#### *Cable Support Systems*

For the current period ended 30 June 2023, this business segment registered a lower revenue of RM108.612 million as compared to RM117.092 million in the previous corresponding period, a decrease of 7.24% comparatively.

This segment recorded a higher profit before taxation of RM26.929 million as compared to RM25.467 million in the previous corresponding period, mainly attributable to higher profit margins achieved on goods sold, higher interest income and higher net forex gain 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 30 June 2023, this business segment registered a marginally higher revenue of RM14.571 million as compared to RM14.388 million in the previous corresponding period.

This segment recorded a lower profit before taxation of RM0.259 million as compared to RM0.316 million in the previous corresponding period, mainly attributable to marginally 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 30 June 2023 of RM66.257 million was marginally higher than the previous corresponding period of RM65.468 million, mainly due to higher revenue contributions from the Electrical Lighting and Fittings division.

The Group recorded a higher profit before taxation of RM20.633 million for the quarter ended 30 June 2023 as compared to RM9.710 million in the previous corresponding quarter, mainly attributable to higher 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 30 June 2023 as compared to previous corresponding quarter are as follows:-

#### Cable Support Systems

For the current quarter ended 30 June 2023, this business segment registered a marginally higher revenue of RM58.246 million as compared to RM58.027 million in the previous corresponding quarter.

This segment recorded a higher profit before taxation of RM19.467 million as compared to RM9.848 million in the previous corresponding quarter, mainly attributable to higher 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 30 June 2023, this business segment registered a higher revenue of RM8.011 million as compared to RM7.441 million in the previous corresponding quarter, an increase of 7.66% comparatively.

This segment recorded a higher profit before taxation of RM1.482 million as compared to RM0.144 million in the previous corresponding quarter, mainly attributable to higher profit margins achieved on goods sold and higher revenue generated during the quarter under review.

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

For the current quarter under review, the Group had achieved a higher profit before taxation of RM20.633 million as compared to RM5.983 million in the immediate preceding quarter. The increase in profit before taxation is mainly due to higher revenue generated, higher profit margins achieved on goods sold and lower personnel expenses incurred during the current 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 30.06.2023 RM'000</b>	<b>Current Year to Date Ended 30.06.2023 RM'000</b>
<u>Malaysian income tax</u>		
- Current year	4,477	6,272

**21. Borrowings**

	<b>As at 30.06.2023 RM'000</b>	<b>As at 30.06.2022 RM'000</b>
<u>Short term borrowings</u>		
Secured:-		
- Portion of long term loans payable within the next 12 months	840	840
- Bankers Acceptances	26,524	37,365
- Portion of hire purchase creditors payable within the next 12 months	834	1,143
<u>Long term borrowings</u>		
Secured:-		
- Portion of long term loans payable after the next 12 months	1,328	2,168
- Portion of hire purchase creditors payable after the next 12 months	813	1,253
Total borrowings	30,339	42,769

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>30.06.2023</u>	<u>30.06.2022</u>	<u>30.06.2023</u>	<u>30.06.2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest income	(563)	(225)	(945)	(353)
Gain on disposal of property, plant and equipment	(122)	(30)	(122)	(124)
Net foreign exchange loss/(gain)	142	(435)	(785)	(396)
Depreciation and amortization	2,166	2,548	4,507	5,187
Interest expense	467	426	851	718
Other income	(391)	(140)	(693)	(612)
Reversal of impairment loss on receivables	(90)	(18)	(141)	(18)
Insurance recoverable	(3)	(43)	(4)	(43)

**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 7 August 2023, a third single-tier interim dividend of 2 sen per ordinary share for the financial year ending 31 December 2023 amounting to RM4.356 million had been declared by the Board of Directors, payable on 13 September 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 RM16.156 million and current year to date of RM20.344 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 22 August 2023.