

## **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 2023 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 2023.

### **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 2023 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 2024.

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 MRFS 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 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

The Group plans to adopt the above applicable amendments/improvements to MFRSs when they become effective.

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

The auditors' report on the financial statements for the year ended 31 December 2023 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 31.03.2024 RM'000</b>	<b>Preceding Year Corresponding Quarter Ended 31.03.2023 RM'000</b>	<b>Current Year to Date Ended 31.03.2024 RM'000</b>	<b>Preceding Year Corresponding Period Ended 31.03.2023 RM'000</b>
Malaysia	50,103	44,100	50,103	44,100
Overseas	10,601	12,826	10,601	12,826
	<b>60,704</b>	<b>56,926</b>	<b>60,704</b>	<b>56,926</b>

##### 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	-	52,384	8,320	-	60,704
Inter-segment	4,436	433	13	(4,882)	-
<b>Total revenue</b>	<b>4,436</b>	<b>52,817</b>	<b>8,333</b>	<b>(4,882)</b>	<b>60,704</b>
<b>Results</b>					
Interest income	-	(490)	(74)	-	(564)
Depreciation	10	1,838	129	-	1,977
Segment profit/(loss)	4,079	11,770	(249)	(4,356)	11,244

#### 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 March 2024.

#### 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 first single-tier interim dividend for the year ended 31 December 2024 of 2 sen per ordinary share amounting to RM4.356 million, was paid on 27 March 2024.

## **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 2023.

## **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 March 2024, 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 RM1,855,900.

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

There were no material changes in other contingent liabilities or contingent assets since 31 December 2023.

### **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 27 May 2024, which had affected substantially the results of the Group for the financial quarter ended 31 March 2024.

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

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

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

The Group's revenue for the current quarter ended 31 March 2024 of RM60.704 million was higher than the previous corresponding period of RM56.926 million, an increase of 6.64% comparatively, mainly due to higher revenue contributions from both Cable Support Systems and Electrical Lighting and Fittings divisions.

The Group recorded a profit before taxation of RM11.244 million for the quarter ended 31 March 2024 as compared to RM5.983 million in the previous corresponding quarter, mainly attributable to higher revenue generated, higher profit margins achieved on goods sold and lower personnel expenses incurred 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 March 2024 as compared to previous corresponding quarter are as follows:-

#### *Cable Support Systems*

For the current quarter ended 31 March 2024, this business segment registered a higher revenue of RM52.384 million as compared to RM50.367 million in the previous corresponding quarter, an increase of 4.00% comparatively.

This segment recorded a higher profit before taxation of RM11.770 million as compared to RM7.462 million in the previous corresponding quarter, mainly attributable to higher revenue generated, higher profit margins achieved on goods sold and lower personnel expenses incurred during the quarter under review.

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

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

### *Electrical Lighting and Fittings*

For the current quarter ended 31 March 2024, this business segment registered a higher revenue of RM8.320 million as compared to RM6.559 million in the previous corresponding quarter, an increase of 26.85% comparatively.

This segment recorded a lower loss before taxation of RM0.249 million as compared to RM1.223 million in the previous corresponding quarter, mainly attributable to higher revenue generated, higher profit margins achieved on goods sold and lower personnel expenses incurred 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 lower profit before taxation of RM11.244 million as compared to RM13.757 million in the immediate preceding quarter. The decrease in profit before taxation is mainly due to lower revenue generated and lower profit margins achieved on goods sold during the quarter under review as compared to the immediate preceding quarter.

## **18. Commentary on Prospects**

The Malaysian government is actively collaborating with various countries to jointly advance its trade, tourism and technology sectors, e.g. data centres. The emergence of various private and government projects appeared to be imminent. Under these positive circumstances, the Group strongly believes that the domestic and international markets for Cable Support Systems and Electrical Lighting and Fittings products are expected to improve further. However, the Group will continue to exercise caution in all its business dealings as future global markets condition remain uncertain.

The Group will also continue to undertake new measures to enhance its operations, optimise its revenue stream and improve its cash flow position.

## **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 31.03.2024 RM'000</b>	<b>Current Year to Date Ended 31.03.2024 RM'000</b>
<u>Malaysian income tax</u>		
- Current year	2,678	2,678

## 21. Borrowings

	<b>As at 31.03.2024 RM'000</b>	<b>As at 31.03.2023 RM'000</b>
<u>Short term borrowings</u>		
Secured:-		
- Portion of long term loans payable within the next 12 months	840	840
- Bankers Acceptances	24,358	16,488
- Portion of hire purchase creditors payable within the next 12 months	176	1,003
<u>Long term borrowings</u>		
Secured:-		
- Portion of long term loans payable after the next 12 months	698	1,538
- Portion of hire purchase creditors payable after the next 12 months	756	932
Total borrowings	26,828	20,801

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>31.03.2024</u>	<u>31.03.2023</u>	<u>31.03.2024</u>	<u>31.03.2023</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest income	(564)	(382)	(564)	(382)
Net foreign exchange gain	(98)	(927)	(98)	(927)
Depreciation and amortization	1,977	2,340	1,977	2,340
Interest expense	331	384	331	384
Other income	(222)	(302)	(222)	(302)
Reversal of impairment loss				
on receivables	(2)	(51)	(2)	(51)
Insurance recoverable	(1)	(1)	(1)	(1)

## 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 8 May 2024, a second single-tier interim dividend of 2 sen per ordinary share for the financial year ending 31 December 2024 amounting to RM4.356 million had been declared by the Board of Directors, payable on 14 June 2024.

## **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 RM8.566 million and current year to date of RM8.566 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 27 May 2024.