

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2015

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	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Revenue	58,506	43,141	214,930	198,910
Results from operating activities	13,477	4,649	28,347	18,209
Finance costs	(56)	(372)	(1,031)	(1,064)
Finance income	(153)	66	162	281
Net finance costs	(209)	(306)	(869)	(783)
Profit before tax	13,268	4,343	27,478	17,426
Tax expense	(4,302)	(1,186)	(7,845)	(4,633)
Profit for the period	8,966	3,157	19,633	12,793
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	540	3	977	(34)
Total other comprehensive income / (loss) for the period	540	3	977	(34)
Total comprehensive income for the period	9,506	3,160	20,610	12,759



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

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2015

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

(The figures have not been audited)

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Profit attributable to:				
Owners of the Company	8,971	3,125	19,570	12,720
Non-controlling interests	(5)	32	63	73
	<u>8,966</u>	<u>3,157</u>	<u>19,633</u>	<u>12,793</u>
Total comprehensive income attributable to:				
Owners of the Company	9,458	3,128	20,450	12,689
Non-controlling interests	48	32	160	70
	<u>9,506</u>	<u>3,160</u>	<u>20,610</u>	<u>12,759</u>
Earnings per share:				
- Basic (sen)	<u>6.90</u>	<u>2.40</u>	<u>15.05</u>	<u>9.78</u>
- 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 2014 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	(Unaudited) 30.09.2015 RM'000	(Audited) 30.09.2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,732	23,060
Intangible assets	2,343	2,633
Investment properties	1,496	189
Investment in Joint Venture	500	-
Other investments	10	10
Deferred tax assets	2,341	2,578
Total non-current assets	30,422	28,470
Current assets		
Inventories	40,877	38,846
Current tax assets	2,631	467
Trade and other receivables	81,860	70,591
Deposits and prepayments (including derivative)	14,674	2,714
Cash and cash equivalents	29,475	27,124
	169,517	139,742
Total current assets	169,517	139,742
TOTAL ASSETS	199,939	168,212
EQUITY AND LIABILITIES		
Equity		
Share capital	65,000	65,000
Reserves	66,761	51,454
Total equity attributable to owners of the Company	131,761	116,454
Non-controlling interests	625	634
TOTAL EQUITY	132,386	117,088

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

	Note	(Unaudited) 30.09.2015 RM'000	(Audited) 30.09.2014 RM'000
EQUITY AND LIABILITIES			
(continued)			
Non-current liabilities			
Loans and borrowings	B7	9,226	9,009
Deferred tax liabilities		2,893	641
Total non-current liabilities		12,119	9,650
Current liabilities			
Loans and borrowings	B7	4,152	11,475
Deferred income		2,117	1,737
Provision for warranties		94	106
Trade and other payables (including derivative)		49,071	28,156
Total current liabilities		55,434	41,474
TOTAL LIABILITIES		67,553	51,124
TOTAL EQUITY AND LIABILITIES		199,939	168,212
Net assets per share attributable to equity holders of the Company (RM)		1.02	0.90

(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 2014 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2015

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	Share Premium RM'000	Translation Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000			
<u>12 Months Period Ended</u>								
<u>30 September 2015</u>								
At 1 October 2014	65,000	4,302	202	-	46,950	116,454	634	117,088
Total comprehensive income for the period	-	-	880	-	19,570	20,450	160	20,610
Changes in ownership interests in a subsidiary	-	-	-	-	59	59	(169)	(110)
Dividend to owners of the Company	-	-	-	-	(5,200)	(5,200)	-	(5,200)
Share buy-back	-	-	-	(2)	-	(2)	-	(2)
At 30 September 2015	65,000	4,302	1,082	(2)	61,379	131,761	625	132,386
<u>12 Months Period Ended</u>								
<u>30 September 2014</u>								
At 1 October 2013	65,000	4,302	234	-	40,730	110,266	564	110,830
Total comprehensive income for the period	-	-	(32)	-	12,720	12,688	70	12,758
Dividend to owners of the Company	-	-	-	-	(6,500)	(6,500)	-	(6,500)
At 30 September 2014	65,000	4,302	202	-	46,950	116,454	634	117,088

(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 2014 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2015

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	12 Months Period Ended	
	30.09.2015	30.09.2014
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	27,478	17,426
Adjustments for:		
Amortisation of investment properties	16	2
Amortisation of development costs	504	302
Reversal of liquidated and ascertained damages	-	(120)
Allowance for foreseeable losses	161	624
Warranties claimed	(12)	-
Depreciation of property, plant and equipment	1,662	1,528
Loss / (Gain) on disposal of property, plant and equipment	2	(106)
Property, plant and equipment written off	-	41
Gain on disposal of asset classified as held for sale	-	(115)
Fair value gain on forward exchange contracts, net	(11,215)	(58)
Finance costs	1,031	1,064
Finance income	(162)	(281)
Unrealised foreign exchange (gain) / loss	(833)	304
	<hr/>	<hr/>
Operating profit before working capital changes	18,632	20,611
Changes in working capital:		
Inventories	(1,807)	388
Trade and other receivables, deposits and prepayments	(10,023)	8,671
Trade and other payables and deferred income	19,221	(4,630)
	<hr/>	<hr/>
Cash generated from operations	26,023	25,040
Income taxes paid	(7,546)	(6,445)
Interest paid	(248)	(873)
Interest received	317	281
	<hr/>	<hr/>
Net cash generated from operating activities	18,546	18,003
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	64	655
Purchase of property, plant and equipment	(1,800)	(16,375)
Increase in development costs	(214)	(413)
Acquisition of investment properties	(1,323)	-
Proceed from term loan	1,020	-
Interest paid for term loan	(3)	-
Investment in joint venture	(500)	-
	<hr/>	<hr/>
Net cash used in investing activities	(2,756)	(16,133)
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Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2015

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(The figures have not been audited)

	12 Months Period Ended	
	30.09.2015	30.09.2014
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(5,200)	(6,500)
Share buy-back	(2)	-
Acquisition of non-controlling interests	(110)	-
(Repayment) / Proceeds from loans and borrowings	(753)	9,350
Repayment of loans and borrowings	(7,378)	(794)
Repayment of finance lease liabilities	(582)	(359)
Interest paid	(935)	(191)
	<hr/>	<hr/>
Net cash (used in) / generated from financing activities	(14,960)	1,506
	<hr/>	<hr/>
Net increase in cash and cash equivalents	830	3,376
Foreign exchange differences on cash held	1,521	(6)
Cash and cash equivalents at beginning of the financial period	27,124	23,754
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Cash and cash equivalents at end of the financial period	29,475	27,124
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Cash and cash equivalents included in the statements of cash flows comprise:-		
Cash and bank balances	20,418	15,568
Liquid investment	1,095	10,496
Deposit	7,962	1,060
	<hr/>	<hr/>
	29,475	27,124
	<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 2014 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 unaudited interim financial statements for the year ended 30 September 2015, have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standard Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The unaudited interim financial statements should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 30 September 2014. The 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 30 September 2014.

The accounting policies applied by the Group in these interim financial statements are consistent with the audited financial statement for the financial year ended 30 September 2014.

At the date of issuance of this unaudited interim financial statements, the MFRSs, amendments to MFRSs and IC Interpretation have been issued by MASB but not yet effective are as listed below:

<i>MFRSs, Interpretations and Amendments to MFRSs and IC Interpretation</i>	<i>Effective for annual periods beginning on or after</i>
- Amendments to MFRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)</i>	1 January 2016
- Amendments to MFRS 7, <i>Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)</i>	1 January 2016
- Amendments to MFRS 10, <i>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</i>	1 January 2016
- Amendments to MFRS 10, <i>Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
- Amendments to MFRS 11, <i>Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
- MFRS 14, <i>Regulatory Deferral Accounts</i>	1 January 2016
- Amendments to MFRS 101, <i>Presentation of Financial Statements – Disclosure Initiative</i>	1 January 2016

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

A1. Basis of Preparation (Cont’d)

<i>MFRSs, Interpretations and Amendments to MFRSs and IC Interpretation</i>	<i>Effective for annual periods beginning on or after</i>
- Amendments to MFRS 116, <i>Property, Plant and Equipment and MFRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
- Amendments to MFRS 116, <i>Property, Plant and Equipment and MFRS 141, Agriculture – Agriculture: Bearer Plants</i>	1 January 2016
- Amendments to MFRS 119, <i>Employee Benefits (Annual Improvements 2012-2014 Cycle)</i>	1 January 2016
- Amendments to MFRS 127, <i>Separate Financial Statements – Equity Method in Separate Financial Statements</i>	1 January 2016
- Amendments to MFRS 134, <i>Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)</i>	1 January 2016
- MFRS 15, <i>Revenue from Contracts with Customers</i>	1 January 2018
- MFRS 9, <i>Financial Instruments (2014)</i>	1 January 2018

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. Debts and Securities

There were no issuances, cancellations, repurchases and repayments of debt and equity securities for the current financial quarter under review except for the following:-

(a) Share buy-back by the company

During the quarter under review, there was no repurchase of its issued ordinary shares from the open market. The cumulative total number of shares repurchased at the end of the quarter was 1,000 units. There was no resale or cancellation of treasury shares for the quarter under review. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. None of the treasury shares were resold or cancelled during the financial period.

A7. Dividends Paid and Distributed

The Board of Directors has declared a first interim single-tier tax exempt dividend of 2.0 sen per ordinary share, amounting to RM2.6 million in respect of the financial year ended 30 September 2015. The dividend was paid to the shareholders of the Company on 30 September 2015.

A8. Segmental Information

Segmental information in respect of the Group’s business activities for the financial year to date ended 30 September 2015.

	Turnover RM’000	Profit before Tax RM’000
Marketing and Distribution	87,605	8,670
Manufacturing	103,478	12,752
Services	23,847	6,056
Reportable segment	214,930	27,478

A9. Subsequent Material Event

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

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

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current 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:

Balance purchase consideration on acquisition of property, plant and equipment	RM'000 <u>1,352</u>
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A12. Changes in Contingent Liabilities

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

At 01.10.2014	RM'000 110,530
Increase in borrowing facilities	38,391
At 30.09.2015	<u>148,921</u>

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

At 01.10.2014	RM'000 3,995
Addition	5,284
At 30.09.2015	<u>9,279</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
Boilermech Sdn Bhd (“Boilermech”)	A company in which a director and substantial shareholder is also the Non-Independent Non-Executive Director of EITA Resources Berhad (“EITA”)
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.
Platinum Group	A group of companies in which a director and substantial shareholder is the brother-in-law of the Executive Director, Mr. Lee Peng Sian.

	Cumulative Financial Quarter Ended	
	30.09.2015 RM’000	30.09.2014 RM’000
<u>Boilermech Sdn Bhd (“Boilermech”)</u>		
- Sales of electrical equipment	565	414
<u>CTL Automation Sdn Bhd (“CTL”)</u>		
- Repairs and purchase of elevators parts	(593)	(329)
<u>Platinum Group</u>		
- Sales of power equipment, supply, install, testing and commissioning of electrical work and equipment and maintenance of elevator	162	298

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		
	30.09.2015 RM'000	30.09.2014 RM'000	% change	30.09.2015 RM'000	30.09.2014 RM'000	% change
Revenue						
Marketing and Distribution	21,361	21,609	(1.1%)	87,605	81,691	7.2%
Manufacturing	30,616	17,400	76.0%	103,478	100,857	2.6%
Services	6,529	4,132	58.0%	23,847	16,362	45.7%
Total	58,506	43,141	35.6%	214,930	198,910	8.1%
Profit before Tax ("PBT")						
Marketing and Distribution	1,965	1,944	1.1%	8,670	7,611	13.9%
Manufacturing	9,380	1,659	465.4%	12,752	5,730	122.5%
Services	1,923	740	159.9%	6,056	4,085	48.2%
Total	13,268	4,343	205.5%	27,478	17,426	57.7%

The total revenue of the Group for the current quarter increased by RM15.4 million or 35.6% as compared to the preceding year corresponding quarter mainly due to higher revenue from Manufacturing and Services segments.

Cumulatively, the Group revenue increased by RM16.0 million or 8.1% as compared to the preceding corresponding year mainly contributed by Marketing and Distribution and Services segments.

The total PBT of the Group for the current quarter increased by RM8.9 million or 205.5% corresponding to the higher revenue and unrealised foreign exchange gain on fair value valuation of the forward exchange contracts.

Cumulatively, the Group PBT increased by RM10.0 million or 57.7% for the same reasons.

(i) Marketing and Distribution Segment

Current quarter revenue decreased by RM0.2 million or 1.1% mainly due to lower revenue from electrical and electronics components.

Cumulative revenue increased by RM5.9 million or 7.2% mainly contributed by power distribution equipment and electrical and electronics components.

Current quarter PBT increased by RM0.02 million or 1.1% despite lower revenue generated mainly due to higher sales of better margin products from different product mix.

Cumulative PBT increased by RM1.1 million or 13.9% for the same reason.

**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) Manufacturing Segment

Current quarter revenue increased by RM13.2 million or 76.0% mainly due to more execution of elevator projects and higher revenue from busduct.

Cumulative revenue increased by RM2.6 million or 2.6% for the same reason.

Current quarter PBT increased by RM7.7 million or 465.4% due to the higher revenue recorded and unrealised foreign exchange gain on fair value valuation of the forward exchange contracts.

Cumulative PBT increased by RM7.0 million or 122.5% for the same reasons.

(ii) Service Segment

Current quarter revenue improved by RM2.4 million or 58.0% mainly contributed by elevator repairs sales as well as higher project execution of electrical and security systems.

Cumulative revenue increased by RM7.5 million or 45.7% for the same reason.

Current quarter PBT increased by RM1.2 million or 159.9% corresponding to the increased revenue.

Cumulative PBT increased by RM2.0 million or 48.2% for the same reason.

B2. Review of Current Financial Quarter Performance against Preceding Quarter

	Individual Financial Quarter Ended		% change
	30.09.2015 RM'000	30.06.2015 RM'000	
Revenue			
Marketing and Distribution	21,361	20,022	6.7%
Manufacturing	30,616	18,953	61.5%
Services	6,529	4,365	49.6%
Total	58,506	43,340	35.0%
Profit before Tax ("PBT")			
Marketing and Distribution	1,965	1,151	70.7%
Manufacturing	9,380	1,516	518.7%
Services	1,923	589	226.5%
Total	13,268	3,256	307.5%

The total revenue of the Group for the current quarter increased by RM15.2 million or 35.0% against preceding quarter due to higher revenue from all business segments.

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

B2. Review of Current Financial Quarter Performance against Preceding Quarter (Cont'd)

The total PBT of the Group for the current quarter increased by RM10.0 million or 307.5% in tandem with the higher revenue and unrealised foreign exchange gain on fair value valuation of the forward exchange contracts.

(i) Marketing and Distribution Segment

Revenue increased by RM1.3 million or 6.7% mainly contributed by electrical and electronics components.

Current quarter PBT increased by RM0.8 million or 70.7% for the same reason.

(ii) Manufacturing Segment

Current quarter revenue increased by RM11.7 million or 61.5% mainly due to higher execution of elevator projects and project execution of electrical and security systems.

Current quarter PBT increased by RM7.9 million or 518.7% corresponding to the higher revenue and unrealised foreign exchange gain on fair value valuation of the forward exchange contracts.

(iii) Services Segment

Current quarter revenue increased by RM2.2 million or 49.6% mainly contributed by elevator repair sales.

Current quarter PBT increased by RM1.3 million or 226.5% mainly due to higher elevator maintenance contract and repair sales.

B3. Commentary on Prospects

The regional and global economic environment continues to be challenging. Barring any unforeseen circumstances, the Board of Directors of the Company is cautiously optimistic on the Group's performance. Nevertheless, with the current order book on hand and coupled with an appropriate business strategy to strengthen operational efficiency, we would strive to deliver satisfactory results for the financial year ending 30 September 2016.

B4. Profit Forecast

Profit forecast was not provided.

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

B5. Tax Expense

	Individual Financial Quarter Ended 30.09.2015 RM'000	Cumulative Financial Quarter Ended 30.09.2015 RM'000
Current tax expense		
Malaysia - current period	1,919	5,180
- prior period	(41)	449
Overseas - current period	(19)	58
- prior period	1	(42)
Double tax deduction	(49)	(288)
Total current tax recognised in profit or loss	1,811	5,357
Deferred tax expense		
Origination and reversal of temporary differences	2,283	2,191
Under provision in prior year	76	86
Effect of changes in tax rate	(93)	(14)
Tax benefits arising from previously unrecognised tax losses	225	225
Total deferred tax recognised in profit or loss	2,491	2,488
Total income tax expense	<u>4,302</u>	<u>7,845</u>

B6. Status of Corporate Proposals Announced

(a) Status of Corporate Proposal Announced but Not Completed

There were no corporate proposals announced but not completed as at the date of this report.

(b) Utilisation of Proceeds Raised From Corporate Exercise

The Initial Public Offering ("IPO") consisted of 23.0 million new ordinary shares of RM0.50 each ("EITA shares") and offer for sale of 17.0 million EITA shares at an issue price of RM0.76. The IPO raised proceeds of RM17.48 million for the Company ("IPO Proceeds").

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

B6. Status of Corporate Proposals Announced (Cont'd)

As at 30 September 2015, the status of utilisation of proceeds is as follow:

Description of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Re-allocation RM'000	Balance RM'000	Intended Time Frame for Utilisation upon listing on 9 April 2012
(i) Expansion and improvements of manufacturing and business facilities	8,851	(4,551)	-	4,300*	Within 48 months
(ii) Expansion in R&D	3,750	(1,017)	-	2,733*	Within 48 months
(iii) Working capital	2,079	(2,127)	48	-	Within 12 months
(iv) Estimated listing expenses	2,800	(2,752)	(48)	-	Immediate
Total Public Issue Proceeds	17,480	(10,447)	-	7,033	

Note:

*On 7 March 2014, the Board of Directors had resolved to approve the extension of time for the utilisation of the remaining IPO proceeds for the expansion and improvements of manufacturing and business facilities and the expansion in R&D until 9 April 2016.

The main reason for the revision of time is due to the delayed delivery of the vacant possession of the land purchased for the purpose of the expansion of the elevators manufacturing facility of the Group.

B7. Group Borrowings

	As at 30.09.2015 RM'000	As at 30.09.2014 RM'000
Non-current		
Finance lease liabilities	679	615
Term loan – secured	8,547	8,394
	<u>9,226</u>	<u>9,009</u>
Current		
Bank overdrafts – unsecured	-	-
Bills payable – unsecured	3,007	10,385
Finance lease liabilities	258	317
Term loan – secured	887	773
	<u>4,152</u>	<u>11,475</u>
Total group borrowing	<u>13,378</u>	<u>20,484</u>

**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

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 September 2015 of 2.0 sen per ordinary share under the single tier system amounting to RM2.6 million will be proposed for the shareholders' approval.

Together with the first interim single-tier dividend of 2.0 sen per ordinary share, which has been paid to the shareholders of the Company on 30 September 2015, it will bring the total dividend payout in respect of the financial year ended 30 September 2015 to 4.0 sen per ordinary share.

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	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Profit for the period attributable to owners (RM'000)	8,971	3,125	19,570	12,720
Weighted average number of ordinary shares in issue ('000)	130,000	130,000	130,000	130,000
Basic EPS (sen)	<u>6.90</u>	<u>2.40</u>	<u>15.05</u>	<u>9.78</u>

(b) Diluted EPS

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.

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

B11. Financial Instruments

Outstanding derivatives as at 30 September 2015 is as follow:

Type of derivatives	Contract / Notional Value RM'000	Fair Value Through Profit or Loss RM'000
Less than 1 year:-		
Forward exchange contract-buy	<u>81,676</u>	<u>11,242</u>

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

B12. Realised and Unrealised Retained Earnings

	As At 30.09.2015 RM'000	As At 30.06.2015 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	56,543	56,659
- Unrealised	<u>11,523</u>	<u>5,066</u>
	68,066	61,725
Less: Consolidation adjustments	<u>(6,687)</u>	<u>(6,717)</u>
The retained earnings as per condensed consolidated financial statements	<u>61,379</u>	<u>55,008</u>

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

B13. Notes to Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Individual Financial Quarter Ended		Year-to-date Ended	
	30.09.15 RM'000	30.09.14 RM'000	30.09.15 RM'000	30.09.14 RM'000
Profit for the period is arrived after charging / (crediting):				
Reversal of liquidated and ascertained damages (LAD)	-	(166)	-	(120)
Allowance for / (Reversal of) diminution in value of other investment	1	1	(16)	9
Bad debts written off	-	-	714	643
Depreciation and amortisation	656	508	2,182	1,832
Provision for / (Reversal of) allowance for doubtful debts	1,982	(103)	2,445	246
Inventories written down to net realisable value	577	789	1,140	1,699
Loss / (Gain) on disposal of property, plant and equipment	-	8	2	(106)
Foreign exchange (gain) / loss, net	(546)	80	(806)	484
Allowance for foreseeable loss	719	680	161	624
Property, plant and equipment written off	-	41	-	41
Fair value changes on forward exchange contracts	(8,758)	(30)	(11,215)	(58)
Gain on disposal of asset classified as held for sale	-	-	-	(115)
Provision for warranties	22	-	2	-

B14. Authority for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 25 November 2015.