

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2016

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	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Revenue	82,688	72,095	82,688	72,095
Results from operating activities	14,250	5,959	14,250	5,959
Finance costs	(577)	(322)	(577)	(322)
Finance income	42	20	42	20
Net finance costs	(535)	(302)	(535)	(302)
Share of gain / (loss) of equity-accounted joint venture, net of tax	115	(46)	115	(46)
Profit before tax	13,830	5,611	13,830	5,611
Tax expense	(3,378)	(1,316)	(3,378)	(1,316)
Profit for the period	10,452	4,295	10,452	4,295
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	183	(104)	183	(104)
Total other comprehensive income / (expense) for the period	183	(104)	183	(104)
Total comprehensive income for the period	10,635	4,191	10,635	4,191

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2016

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	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Profit attributable to:				
Owners of the Company	10,425	4,242	10,425	4,242
Non-controlling interests	27	53	27	53
	<u>10,452</u>	<u>4,295</u>	<u>10,452</u>	<u>4,295</u>
Total comprehensive income attributable to:				
Owners of the Company	10,590	4,148	10,590	4,148
Non-controlling interests	45	43	45	43
	<u>10,635</u>	<u>4,191</u>	<u>10,635</u>	<u>4,191</u>
Earnings per share:				
- Basic (sen)	<u>8.02</u>	<u>3.26</u>	<u>8.02</u>	<u>3.26</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 2016 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	(Unaudited) 31.12.2016 RM'000	(Audited) 30.09.2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,535	24,643
Intangible assets	2,844	2,936
Investment properties	1,462	1,469
Investment in joint venture	392	277
Other investments	10	10
Deferred tax assets	3,100	3,343
Total non-current assets	32,343	32,678
Current assets		
Inventories	46,225	51,157
Trade and other receivables	140,393	126,470
Deposits and prepayments	6,616	4,294
Derivative financial assets	1,583	28
Current tax assets	669	735
Cash and cash equivalents	28,506	36,421
Total current assets	223,992	219,105
TOTAL ASSETS	256,335	251,783
EQUITY AND LIABILITIES		
Equity		
Share capital	65,000	65,000
Reserves	87,668	77,078
Total equity attributable to owners of the Company	152,668	142,078
Non-controlling interests	1,505	1,460
TOTAL EQUITY	154,173	143,538

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

	Note	(Unaudited) 31.12.2016 RM'000	(Audited) 30.09.2016 RM'000
EQUITY AND LIABILITIES			
(continued)			
Non-current liabilities			
Loans and borrowings	B7	8,282	8,622
Deferred tax liabilities		469	144
Total non-current liabilities		8,751	8,766
Current liabilities			
Loans and borrowings	B7	32,888	34,084
Deferred income		3,364	5,372
Provision for warranties		112	124
Trade and other payables		57,042	58,985
Derivative financial liabilities		5	914
Total current liabilities		93,411	99,479
TOTAL LIABILITIES		102,162	108,245
TOTAL EQUITY AND LIABILITIES		256,335	251,783
Net assets per share attributable to equity holders of the Company (RM)		1.19	1.10

(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 2016 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2016

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	Treasury Shares RM'000	Translation Reserve RM'000	Retained Profits RM'000			
<u>3 Months Period Ended</u>								
<u>31 December 2016</u>								
At 1 October 2016	65,000	4,302	(5)	961	71,820	142,078	1,460	143,538
Total comprehensive income for the period	-	-	-	165	10,425	10,590	45	10,635
At 31 December 2016	65,000	4,302	(5)	1,126	82,245	152,668	1,505	154,173
<u>3 Months Period Ended</u>								
<u>31 December 2015</u>								
At 1 October 2015	65,000	4,302	(2)	1,082	61,379	131,761	625	132,386
Total comprehensive income for the period	-	-	-	(94)	4,242	4,148	43	4,191
At 31 December 2015	65,000	4,302	(2)	988	65,621	135,909	668	136,577

(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 2016 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2016

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	3 Months Period Ended	
	31.12.2016	31.12.2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	13,830	5,611
Adjustments for:		
Amortisation of investment properties	7	7
Amortisation of development costs	92	96
Allowance for foreseeable losses	215	84
Reversal of provision for warranties	(12)	-
Warranties claimed	-	22
Depreciation of property, plant and equipment	496	483
Gain on disposal of property, plant and equipment	-	(4)
Fair value (gain) / loss on forward exchange contracts, net	(2,464)	6,659
Finance costs	577	322
Finance income	(42)	(20)
Share of (gain) / loss of equity-accounted joint venture, net of tax	(115)	46
Unrealised foreign exchange gain	(76)	(643)
	<hr/>	<hr/>
Operating profit before changes in working capital	12,508	12,663
Changes in working capital:		
Inventories	4,961	(9,895)
Trade and other receivables, deposits and prepayments	(16,220)	(28,060)
Trade and other payables and deferred income	(4,203)	17,604
	<hr/>	<hr/>
Cash used in operations	(2,954)	(7,688)
Income taxes paid	(2,747)	(2,149)
Interest paid	(282)	(37)
Interest received	42	20
	<hr/>	<hr/>
Net cash used in operating activities	(5,941)	(9,854)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	1
Purchase of property, plant and equipment	(381)	(760)
Proceed from term loan	-	(26)
Interest paid for term loan	-	(12)
	<hr/>	<hr/>
Net cash used in investing activities	(381)	(797)
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Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 2016
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
(The figures have not been audited)

	3 Months Period Ended	
	31.12.2016	31.12.2015
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment of) / Proceeds from loans and borrowings	(389)	10,719
Repayment of finance lease liabilities	(92)	(72)
Interest paid	(295)	(273)
Net cash (used in) / generated from financing activities	(776)	10,374
Net decrease in cash and cash equivalents	(7,098)	(277)
Foreign exchange differences on cash held	241	(126)
Cash and cash equivalents at beginning of the financial period	33,792	29,475
Cash and cash equivalents at end of the financial period	26,935	29,072
Cash and cash equivalents included in the statements of cash flows comprise:-		
Deposit	2,000	-
Cash and bank balances	22,393	19,660
Liquid investments	4,113	9,412
Bank overdrafts	(1,571)	-
	26,935	29,072

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 2016 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 period ended 31 December 2016, 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 2016. 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 2016.

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 2016.

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 12, <i>Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)</i>	1 January 2017
- Amendments to MFRS 107, <i>Statement of Cash Flows – Disclosure Initiative</i>	1 January 2017
- Amendments to MFRS 112, <i>Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
- MFRS 9, <i>Financial Instruments (2014)</i>	1 January 2018
- MFRS 15, <i>Revenue from Contracts with Customers</i>	1 January 2018
- Clarifications to MFRS 15, <i>Revenue from Contracts with Customers</i>	1 January 2018
- IC Interpretation 22, <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
- Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)</i>	1 January 2018

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 2, <i>Share-based Payment – Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
- Amendments to MFRS 4, <i>Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	1 January 2018
- Amendments to MFRS 128, <i>Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)</i>	1 January 2018
- Amendments to MFRS 140, <i>Investment Property – Transfers of Investment Property</i>	1 January 2018
- MFRS 16, <i>Leases</i>	1 January 2019
- Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128, <i>Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Yet to be confirmed

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.

Details of treasury shares held:-

	No. of Shares	Amount RM
Balance as at 1 October 2016 / 31 December 2016	4,000	5,050

A7. Dividends Paid and Distributed

During the quarter under review, no dividend was declared and paid.

A8. Segmental Information

Segmental information in respect of the Group’s business activities for the financial year to date ended 31 December 2016.

	Revenue RM’000	Profit before Tax RM’000
Marketing and Distribution	21,632	2,396
Manufacturing	49,254	9,453
Services	11,802	1,981
Reportable segment	<u>82,688</u>	<u>13,830</u>

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 financial 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>769</u>
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A12. Changes in Contingent Liabilities

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

	RM'000
At 1 October 2016	149,350
Increase in borrowing facilities	<u>15,000</u>
At 31 December 2016	<u><u>164,350</u></u>

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

	RM'000
At 1 October 2016	9,396
Addition	<u>991</u>
At 31 December 2016	<u><u>10,387</u></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.
QL Endau Marine Products Sdn Bhd (“QLEMP”)	A company in which a director and substantial shareholder is also the Non-Independent Non-Executive Director of EITA.
Sigriner Automation (MFG) Sdn Bhd (“Sigriner”)	A 50% joint venture company of EITA-Schneider (Mfg) Sdn Bhd (“ESM”) in which two (2) of the directors are the Executive Directors of EITA, the holding company of ESM.

	Cumulative Financial Quarter Ended	
	31.12.2016 RM’000	31.12.2015 RM’000
<u>Boilermech Sdn Bhd (“Boilermech”)</u>		
- Sales of electrical equipment	102	17
<u>CTL Automation Sdn Bhd (“CTL”)</u>		
- Repairs and purchase of elevators parts	(95)	(33)
<u>Platinum Group</u>		
- Sales of power equipment, supply, install, testing and commissioning of electrical work and equipment and maintenance of elevator	-	104
<u>QL Endau Marine Products Sdn Bhd (“QLEMP”)</u>		
- Sales of electrical equipment	4	246
<u>Sigriner Automation (MFG) Sdn Bhd (“Sigriner”)</u>		
- Sales of elevator controllers and components, provision of management services and rental	38	-
- Purchase of elevator controllers	(1,271)	-

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		
	31.12.2016 RM'000	31.12.2015 RM'000	% change	31.12.2016 RM'000	31.12.2015 RM'000	% change
Revenue						
Marketing and Distribution	21,632	26,828	(19.4%)	21,632	26,828	(19.4%)
Manufacturing	49,254	38,405	28.2%	49,254	38,405	28.2%
Services	11,802	6,862	72.0%	11,802	6,862	72.0%
Total	82,688	72,095	14.7%	82,688	72,095	14.7%
Profit before Tax ("PBT")						
Marketing and Distribution	2,396	3,076	(22.1%)	2,396	3,076	(22.1%)
Manufacturing	9,453	500	1790.6%	9,453	500	1790.6%
Services	1,981	2,035	(2.7%)	1,981	2,035	(2.7%)
Total	13,830	5,611	146.5%	13,830	5,611	146.5%

The total revenue of the Group for the current quarter increased by RM10.6 million or 14.7% as compared to the preceding year corresponding quarter contributed by Manufacturing and Services segments.

The total PBT of the Group for the current quarter increased by RM8.2 million or 146.5%. The main reason was the Group recorded a higher unrealised foreign exchange gain on fair value valuation of the forward exchange contracts in the current quarter compared to the preceding year corresponding quarter.

(i) Marketing and Distribution Segment

Current quarter revenue decreased by RM5.2 million or 19.4% mainly due to lower demand for electrical and electronics ("E&E") components.

Current quarter PBT decreased by RM0.7 million or 22.1% corresponding to the lower revenue.

(ii) Manufacturing Segment

Current quarter revenue increased by RM10.8 million or 28.2% mainly due to higher execution of elevator projects and higher revenue from Busduct.

Current quarter PBT increased by RM8.9 million or 1790.6% mainly due to higher unrealised foreign exchange gain on fair value valuation.

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)

(iii) Service Segment

Current quarter revenue increased by RM4.9 million or 72.0% mainly due to execution of Transmission Sub-Station projects.

Current quarter PBT decreased by RM0.1 million or 2.7% mainly due to increased administrative expenses and higher foreign exchange loss.

B2. Review of Current Financial Quarter Performance against Preceding Quarter

	Individual Financial Quarter Ended		% change
	31.12.2016 RM'000	30.09.2016 RM'000	
Revenue			
Marketing and Distribution	21,632	20,732	4.3%
Manufacturing	49,254	25,139	95.9%
Services	11,802	14,762	(20.1%)
Total	82,688	60,633	36.4%
Profit before Tax ("PBT")			
Marketing and Distribution	2,396	1,207	98.5%
Manufacturing	9,453	(1,471)	742.6%
Services	1,981	3,068	(35.4%)
Total	13,830	2,804	393.2%

The total revenue of the Group for the current quarter increased by RM22.0 million or 36.4% against preceding quarter mainly due to higher revenue from Manufacturing and Marketing and Distribution segments.

The total PBT of the Group for the current quarter increased by RM11.0 million or 393.2% mainly due to the higher revenue and foreign exchange gain.

(i) Marketing and Distribution Segment

Revenue increased by RM0.9 million or 4.3% due to higher demand for E&E components.

Current quarter PBT increased by RM1.2 million or 98.5% mainly due to reversal of provision for obsolete stock and lower distribution cost.

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

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

(ii) Manufacturing Segment

Current quarter revenue increased by RM24.1 million or 95.9% mainly due to higher execution of elevator projects.

Current quarter PBT increased by RM10.9 million or 742.6% mainly due to higher revenue and increase in gain on foreign exchange.

(iii) Services Segment

Current quarter revenue decreased by RM3.0 million or 20.1% mainly due to lower execution of Transmission Sub-Station projects.

Current quarter PBT decreased by RM1.1 million or 35.4% mainly due to the lower revenue and provision for doubtful debts.

B3. Commentary on Prospects

The business environment of the Group remains challenging, however barring any unforeseen circumstances, the Board of Directors (“the Board”) of the Company is cautiously optimistic on the Group’s performance. The Board will continue to review its business strategy to strengthen operational efficiency. With the current ongoing projects in hand, the Board would strive to deliver satisfactory results for this reporting financial year.

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 31.12.2016 RM'000	Cumulative Financial Quarter Ended 31.12.2016 RM'000
Current tax expense		
Malaysia - current period	2,845	2,845
- prior period	-	-
Overseas - current period	26	26
- prior period	-	-
Double tax deduction	(62)	(62)
Total current tax recognised in profit or loss	2,809	2,809
Deferred tax expense		
Origination and reversal of temporary differences	687	687
Over provision in prior year	(119)	(119)
Tax benefits arising from previously unrecognised tax losses	1	1
Total deferred tax recognised in profit or loss	569	569
Total tax expense	<u>3,378</u>	<u>3,378</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 31 December 2016, 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	(4,790)	-	4,061*	Within 72 months
(ii) Expansion in R&D	3,750	(1,450)	-	2,300*	Within 72 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	(11,119)	-	6,361	

Note:

*On 7 March 2014, the Board 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 research & development until 9 April 2016. However the said proceeds was not fully utilised for the intended purpose within the extended time frame.

On 8 March 2016, the Board had resolved to further extend the time frame for the utilisation of the remaining IPO proceeds for another 24 months until 9 April 2018.

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 31.12.2016 RM'000	As at 31.12.2015 RM'000
Non-current		
Finance lease liabilities	918	744
Term loan – secured	7,364	8,321
	8,282	9,065

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

B7. Group Borrowings (Cont'd)

	As at 31.12.2016 RM'000	As at 31.12.2015 RM'000
Current		
Finance lease liabilities	370	273
Term loan – secured	951	897
Bills payable - unsecured	25,996	13,917
Revolving credits – unsecured	4,000	-
Bank overdrafts - unsecured	1,571	-
	<u>32,888</u>	<u>15,087</u>
Total group borrowing	<u>41,170</u>	<u>24,152</u>

B8. Change in Material Litigations

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

B9. Proposed Dividend

The Board of Directors had proposed a final single tier dividend of 2.0 sen per ordinary share, totaling RM2.6 million, for the financial year ended 30 September 2016 (2015: 2.0 sen). The proposed dividend has been approved by the shareholders at the Twenty-First Annual General Meeting of the Company held on 27 February 2017.

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	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Profit for the period attributable to owners (RM'000)	10,425	4,242	10,425	4,242
Weighted average number of ordinary shares in issue ('000)	130,000	130,000	130,000	130,000
Basic EPS (sen)	<u>8.02</u>	<u>3.26</u>	<u>8.02</u>	<u>3.26</u>

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

B10. Earnings per Ordinary Share (Cont'd)

(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.

B11. Financial Instruments

Outstanding derivatives as at 31 December 2016 is as follow:

	Contract / Notional Value RM'000	Fair Value Through Profit or Loss RM'000
Type of derivatives		
Less than 1 year:-		
Forward exchange contract	<u>70,360</u>	<u>1,578</u>

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

B12. Realised and Unrealised Retained Earnings

	As at 31.12.2016 RM'000	As at 30.09.2016 RM'000
Total retained profits of the Company and its subsidiaries:		
- realised	86,020	77,992
- unrealised	<u>2,965</u>	<u>1,091</u>
	88,985	79,083
Total share of accumulated losses of joint venture:		
- realised	(95)	(220)
- unrealised	<u>(13)</u>	<u>(3)</u>
	88,877	78,860
Less: Consolidation adjustments	<u>(6,632)</u>	<u>(7,040)</u>
The retained earnings as per condensed consolidated financial statements	<u>82,245</u>	<u>71,820</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	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Profit for the period is arrived after charging / (crediting):				
Allowance for / (Reversal of) diminution in value of other investment	1	(5)	1	(5)
Depreciation and amortisation	595	586	595	586
Provision for / (reversal of) allowance for doubtful debts	593	(15)	593	(15)
Inventories written down to net realisable value	559	51	559	51
Gain on disposal of property, plant and equipment	-	(4)	-	(4)
Foreign exchange loss / (gain), net	571	(3,243)	571	(3,243)
Allowance for foreseeable loss	215	84	215	84
Fair value changes on forward exchange contracts	(2,464)	6,659	(2,464)	6,659
(Reversal of) / provision for warranties	(12)	33	(12)	33

B14. Authority for Issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Directors dated 27 February 2017.