

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2017

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	
	31.03.2017 RM'000	31.03.2016 RM'000	31.03.2017 RM'000	31.03.2016 RM'000
Revenue	66,860	69,887	149,548	141,982
Results from operating activities	7,555	1,116	21,805	7,075
Finance costs	(498)	(538)	(1,075)	(860)
Finance income	34	22	76	42
Net finance costs	(464)	(516)	(999)	(818)
Share of gain / (loss) of equity-accounted joint venture, net of tax	210	(40)	325	(86)
Profit before tax	7,301	560	21,131	6,171
Tax expense	(1,871)	(358)	(5,249)	(1,674)
Profit for the period	5,430	202	15,882	4,497
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	169	(302)	352	(406)
Total other comprehensive income / (expense) for the period	169	(302)	352	(406)
Total comprehensive income / (expense) for the period	5,599	(100)	16,234	4,091

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2017

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	
	31.03.2017 RM'000	31.03.2016 RM'000	31.03.2017 RM'000	31.03.2016 RM'000
Profit attributable to:				
Owners of the Company	5,485	216	15,910	4,458
Non-controlling interests	(55)	(14)	(28)	39
	<u>5,430</u>	<u>202</u>	<u>15,882</u>	<u>4,497</u>
Total comprehensive income attributable to:				
Owners of the Company	5,636	(56)	16,226	4,092
Non-controlling interests	(37)	(44)	8	(1)
	<u>5,599</u>	<u>(100)</u>	<u>16,234</u>	<u>4,091</u>
Earnings per share:				
- Basic (sen)	<u>4.22</u>	<u>0.17</u>	<u>12.24</u>	<u>3.43</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 March 2017

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	(Unaudited) 31.03.2017 RM'000	(Audited) 30.09.2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,152	24,643
Intangible assets	2,772	2,936
Investment properties	1,456	1,469
Investment in joint venture	602	277
Other investments	10	10
Deferred tax assets	3,353	3,343
Total non-current assets	32,345	32,678
Current assets		
Inventories	46,691	51,157
Trade and other receivables	127,117	126,470
Deposits and prepayments	6,204	4,294
Derivative financial assets	729	28
Current tax assets	649	735
Cash and cash equivalents	23,867	36,421
Total current assets	205,257	219,105
TOTAL ASSETS	237,602	251,783
EQUITY AND LIABILITIES		
Equity		
Share capital	65,000	65,000
Reserves	90,704	77,078
Total equity attributable to owners of the Company	155,704	142,078
Non-controlling interests	1,468	1,460
TOTAL EQUITY	157,172	143,538

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2017

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

	Note	(Unaudited) 31.03.2017 RM'000	(Audited) 30.09.2016 RM'000
EQUITY AND LIABILITIES			
(continued)			
Non-current liabilities			
Loans and borrowings	B7	7,949	8,622
Deferred tax liabilities		430	144
Total non-current liabilities		8,379	8,766
Current liabilities			
Loans and borrowings	B7	19,287	34,084
Deferred income		2,090	5,372
Provision for warranties		98	124
Trade and other payables		50,576	58,985
Derivative financial liabilities		-	914
Total current liabilities		72,051	99,479
TOTAL LIABILITIES		80,430	108,245
TOTAL EQUITY AND LIABILITIES		237,602	251,783
Net assets per share attributable to equity holders of the Company (RM)		1.21	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 March 2017

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	< ----- Attributable to owners of the Company ----- >						Total	Non-Controlling	Total
	< ----- Non-Distributable ----- >			Distributable					
<u>6 Months Period Ended</u>	Share	Share	Treasury	Translation	Retained	Total	Non-Controlling	Total	
<u>31 March 2017</u>	Capital	Premium	Shares	Reserve	Profits	RM'000	Interests	Equity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 October 2016	65,000	4,302	(5)	961	71,820	142,078	1,460	143,538	
Total comprehensive income for the period	-	-	-	316	15,910	16,226	8	16,234	
Dividend to owners of the Company	-	-	-	-	(2,600)	(2,600)	-	(2,600)	
At 31 March 2017	65,000	4,302	(5)	1,277	85,130	155,704	1,468	157,172	
<u>6 Months Period Ended</u>									
<u>31 March 2016</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	-	-	-	(366)	4,458	4,092	(1)	4,091	
Acquisition of subsidiary company	-	-	-	-	-	-	256	256	
Dividend to owners of the Company	-	-	-	-	(2,600)	(2,600)	-	(2,600)	
Share buy-back	-	-	(1)	-	-	(1)	-	(1)	
At 31 March 2016	65,000	4,302	(3)	716	63,237	133,252	880	134,132	

(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 March 2017

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	6 Months Period Ended	
	31.03.2017	31.03.2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	21,131	6,171
Adjustments for:		
Amortisation of investment properties	13	13
Amortisation of development costs	165	188
Allowance for / (Reversal of) foreseeable losses	152	(341)
(Reversal of) / Allowance for warranties	(22)	45
Warranties claimed	(4)	(11)
Depreciation of property, plant and equipment	956	926
Gain on disposal of property, plant and equipment	-	(92)
Fair value (gain) / loss on forward exchange contracts, net	(1,614)	16,332
Finance costs	1,075	860
Finance income	(76)	(42)
Share of (gain) / loss of equity-accounted joint venture, net of tax	(325)	87
Unrealised foreign exchange gain	(428)	(182)
	<hr/>	<hr/>
Operating profit before changes in working capital	21,023	23,954
Changes in working capital:		
Inventories	4,523	(4,120)
Trade and other receivables, deposits and prepayments	(2,555)	(39,888)
Trade and other payables and deferred income	(11,491)	(1,933)
	<hr/>	<hr/>
Cash generated from / (used in) operations	11,500	(21,987)
Income taxes paid	(4,894)	(2,513)
Interest paid	(515)	(147)
Interest received	76	42
	<hr/>	<hr/>
Net cash generated from / (used in) operating activities	6,167	(24,605)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	1	174
Purchase of property, plant and equipment	(454)	(1,096)
	<hr/>	<hr/>
Net cash used in investing activities	(453)	(922)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 March 2017

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(The figures have not been audited)

	6 Months Period Ended	
	31.03.2017	31.03.2016
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(2,600)	(2,600)
Share buy-back	-	(1)
Proceeds from loans and borrowings	-	24,212
Repayment of loans and borrowings	(13,756)	(538)
Repayment of finance lease liabilities	(186)	(79)
Interest paid	(560)	(713)
Net cash (used in) / generated from financing activities	(17,102)	20,281
Net decrease in cash and cash equivalents	(11,388)	(5,246)
Foreign exchange differences on cash held	368	(289)
Cash and cash equivalents at beginning of the financial period	33,792	29,475
Cash and cash equivalents at end of the financial period	22,772	23,940
Cash and cash equivalents included in the statements of cash flows comprise:-		
Deposit	1,300	1,000
Cash and bank balances	21,212	17,822
Liquid investments	1,355	8,631
Bank overdrafts	(1,095)	(3,513)
	22,772	23,940

(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 March 2017, 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 March 2017	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 March 2017.

	Revenue RM’000	Profit before Tax RM’000
Marketing and Distribution	43,599	5,444
Manufacturing	84,365	12,441
Services	21,584	3,246
Reportable segment	<u>149,548</u>	<u>21,131</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>698</u>
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A12. Changes in Contingent Liabilities

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

At 1 October 2016	RM'000 149,350
Increase in borrowing facilities	35,000
At 31 March 2017	<u>184,350</u>

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

At 1 October 2016	RM'000 9,396
Addition	2,214
At 31 March 2017	<u>11,610</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	
	31.03.2017 RM’000	31.03.2016 RM’000
<u>Boilermech Sdn Bhd (“Boilermech”)</u>		
- Sales of electrical equipment	102	86
<u>CTL Automation Sdn Bhd (“CTL”)</u>		
- Repairs and purchase of elevators parts	(210)	(76)
<u>Platinum Group</u>		
- Sales of power equipment, supply, install, testing and commissioning of electrical work and equipment and maintenance of elevator	214	175
<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	77	298
- Purchase of elevator controllers	(3,341)	-

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			Cumulative Financial		
	Quarter Ended	Quarter Ended	%	Quarter Ended	Quarter Ended	%
	31.03.2017	31.03.2016	change	31.03.2017	31.03.2016	change
	RM'000	RM'000		RM'000	RM'000	
Revenue						
Marketing and						
Distribution	21,967	23,058	(4.7%)	43,599	49,886	(12.6%)
Manufacturing	35,111	42,012	(16.4%)	84,365	80,417	4.9%
Services	9,782	4,817	103.1%	21,584	11,679	84.8%
Total	66,860	69,887	(4.3%)	149,548	141,982	5.3%
Profit before Tax ("PBT")						
Marketing and						
Distribution	3,048	1,849	64.8%	5,444	4,925	10.5%
Manufacturing	2,988	(1,907)	256.7%	12,441	(1,407)	984.2%
Services	1,265	618	104.7%	3,246	2,653	22.4%
Total	7,301	560	1203.8%	21,131	6,171	242.4%

The total revenue of the Group for the current quarter decreased by RM3.0 million or 4.3% as compared to the preceding year corresponding quarter mainly due to lower revenue from Marketing and Distribution and Manufacturing segments.

Cumulatively, the Group revenue increased by RM7.6 million or 5.3% as compared to the preceding corresponding period contributed by Manufacturing and Services segments.

The total PBT of the Group for the current quarter increased by RM6.7 million or 1203.8%. The main reason was the Group recorded a lower unrealised foreign exchange loss on fair value valuation of the forward exchange contracts in the current quarter compared to the preceding year corresponding quarter.

Cumulatively, the Group PBT increased by RM15.0 million or 242.4% due to higher revenue and lower unrealised foreign exchange loss on fair value valuation.

(i) Marketing and Distribution Segment

Current quarter revenue decreased by RM1.1 million or 4.7% mainly due to lower demand for electrical and electronics ("E&E") components.

Cumulative revenue decreased by RM6.3 million or 12.6% for the same reason.

Current quarter PBT increased by RM1.2 million or 64.8% despite lower revenue recorded mainly due to reversal of provision for obsolete stock and unrealised foreign exchange gain on fair value valuation.

Cumulative PBT increased by RM0.5 million or 10.5% 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)**

(ii) Manufacturing Segment

Current quarter revenue decreased by RM6.9 million or 16.4% mainly due to lower execution of elevator projects.

Cumulative revenue increased by RM3.9 million or 4.9% mainly contributed by higher revenue from Busduct.

Current quarter PBT increased by RM4.9 million or 256.7% mainly due to lower unrealised foreign exchange loss on fair value valuation.

Cumulative PBT increased by RM13.8 million or 984.2% for the same reason.

(iii) Service Segment

Current quarter revenue increased by RM5.0 million or 103.1% mainly due to higher execution of Transmission Sub-Station projects and higher revenue from elevator maintenance contract and repair sales.

Cumulative revenue increased by RM9.9 million or 84.8% for the same reason.

Current quarter PBT increased by RM0.65 million or 104.7% corresponding with the increased revenue.

Cumulative PBT increased by RM0.6 million or 22.4% for the same reason.

B2. Review of Current Financial Quarter Performance against Preceding Quarter

	Individual Financial Quarter Ended		% change
	31.03.2017 RM'000	31.12.2016 RM'000	
Revenue			
Marketing and Distribution	21,967	21,632	1.5%
Manufacturing	35,111	49,254	(28.7%)
Services	9,782	11,802	(17.1%)
Total	66,860	82,688	(19.1%)
Profit before Tax ("PBT")			
Marketing and Distribution	3,048	2,396	27.2%
Manufacturing	2,988	9,453	(68.4%)
Services	1,265	1,981	(36.1%)
Total	7,301	13,830	(47.2%)

**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 revenue of the Group for the current quarter decreased by RM15.8 million or 19.1% against preceding quarter mainly due to lower revenue from Manufacturing and Services segments.

The total PBT of the Group for the current quarter decreased by RM6.5 million or 47.2% mainly due to the lower revenue and unrealised foreign exchange loss on fair value valuation.

(i) Marketing and Distribution Segment

Revenue increased by RM0.3 million or 1.5% due to higher demand for E&E components.

Current quarter PBT increased by RM0.7 million or 27.2% mainly due to higher revenue and reversal of provision for obsolete stock.

(ii) Manufacturing Segment

Current quarter revenue decreased by RM14.1 million or 28.7% mainly due to lower execution of elevator project and lower revenue from Busduct.

Current quarter PBT decreased by RM6.5 million or 68.4% mainly due to the lower revenue recorded and unrealised foreign exchange loss on fair value valuation of the forward exchange contracts.

(iii) Services Segment

Current quarter revenue decreased by RM2.0 million or 17.1% mainly due to lower execution of Transmission Sub-Station projects.

Current quarter PBT decreased by RM0.7 million or 36.1% mainly due to lower revenue and higher operating costs.

B3. Commentary on Prospects

The business environment of the Group remains challenging. Nevertheless, with the current order book and ongoing projects in hand, 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 and 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 31.03.2017 RM'000	Cumulative Financial Quarter Ended 31.03.2017 RM'000
Current tax expense		
Malaysia - current period	2,119	4,964
- prior period	114	114
Overseas - current period	31	57
Double tax deduction	(66)	(128)
Total current tax recognised in profit or loss	2,198	5,007
Deferred tax expense		
Origination and reversal of temporary differences	(329)	358
Under / (Over) provision in prior year	3	(116)
Tax benefits arising from previously unrecognised tax losses	(1)	-
Total deferred tax recognised in profit or loss	(327)	242
Total tax expense	<u>1,871</u>	<u>5,249</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 March 2017, 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 31.03.2017 RM'000	As at 31.03.2016 RM'000
Non-current		
Finance lease liabilities	830	621
Term loan – secured	7,119	8,091
	7,949	8,712

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

B7. Group Borrowings (Cont'd)

	As at 31.03.2017 RM'000	As at 31.03.2016 RM'000
Current		
Finance lease liabilities	367	244
Term loan – secured	961	906
Bill payable – unsecured	14,364	27,290
Revolving credits – unsecured	2,500	-
Bank overdrafts – unsecured	1,095	3,513
	<u>19,287</u>	<u>31,953</u>
Total group borrowing	<u>27,236</u>	<u>40,665</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 has declared a first interim dividend of 2.00 sen per ordinary share, tax exempt under single-tier tax system amounting to RM2.6 million in respect of the financial year ending 30 September 2017, payable on 26 July 2017, to all shareholders whose names appear on the Record of Depositors on 30 June 2017.

A Depositor shall qualify for entitlement only in respect of:

- (a) Securities transferred to the Depositor's Securities Account before 4.00 p.m. on 30 June 2017, in respect of ordinary transfer; and
- (b) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

A final dividend in respect of the financial year ended 30 September 2016 of 2.0 sen per ordinary share under the single tier system amounting to RM2.6 million was approved in the Company's Annual General Meeting held on 27 February 2017. The dividend was paid to the shareholders of the Company on 30 March 2017.

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

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	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Profit for the period attributable to owners (RM'000)	5,485	216	15,910	4,458
Weighted average number of ordinary shares in issue ('000)	130,000	130,000	130,000	130,000
Basic EPS (sen)	<u>4.22</u>	<u>0.17</u>	<u>12.24</u>	<u>3.43</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.

B11. Financial Instruments

Outstanding derivatives as at 31 March 2017 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>56,153</u>	<u>729</u>

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

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

B12. Realised and Unrealised Retained Earnings

	As at 31.03.2017 RM'000	As at 31.12.2016 RM'000
Total retained profits of the Company and its subsidiaries:		
- realised	88,727	86,020
- unrealised	2,767	2,965
	<u>91,494</u>	<u>88,985</u>
Total share of retained profits / (accumulated losses) of joint venture:		
- realised	114	(95)
- unrealised	(12)	(13)
	<u>91,596</u>	<u>88,877</u>
Less: Consolidation adjustments	<u>(6,466)</u>	<u>(6,632)</u>
The retained earnings as per condensed consolidated financial statements	<u><u>85,130</u></u>	<u><u>82,245</u></u>

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

	Individual Financial Quarter Ended		Year-to-date Ended	
	31.03.2017 RM'000	31.03.2016 RM'000	31.03.2017 RM'000	31.03.2016 RM'000
Profit for the period is arrived after charging / (crediting):				
Reversal of diminution in value of other investment	(4)	(1)	(3)	(6)
Depreciation and amortisation	539	541	1,134	1,127
Provision for / (Reversal of) allowance for doubtful debts	560	(559)	1,153	(574)
Inventories written down to net realisable value	(69)	248	490	299
Gain on disposal of property, plant and equipment	-	(88)	-	(92)
Foreign exchange gain, net	(805)	(2,909)	(234)	(6,152)
(Reversal of) / Allowance for foreseeable loss	(63)	(425)	152	(341)
Fair value changes on forward exchange contracts	850	9,673	(1,614)	16,332
(Reversal of) / Provision for warranties	(10)	12	(22)	45



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

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

B14. Authority for Issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Directors dated 24 May 2017.