

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 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	
	30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Revenue	<u>60,972</u>	<u>85,417</u>	<u>210,520</u>	<u>227,399</u>
Results from operating activities	3,014	13,115	24,819	20,190
Finance costs	(398)	(581)	(1,473)	(1,441)
Finance income	42	41	118	83
Net finance costs	(356)	(540)	(1,355)	(1,358)
Share of gain / (loss) of equity-accounted joint venture, net of tax	89	(42)	414	(128)
Profit before tax	<u>2,747</u>	<u>12,533</u>	<u>23,878</u>	<u>18,704</u>
Tax expense	(922)	(3,007)	(6,171)	(4,681)
Profit for the period	<u>1,825</u>	<u>9,526</u>	<u>17,707</u>	<u>14,023</u>
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	(112)	180	240	(226)
Total other comprehensive (expense) / income for the period	<u>(112)</u>	<u>180</u>	<u>240</u>	<u>(226)</u>
Total comprehensive income for the period	<u>1,713</u>	<u>9,706</u>	<u>17,947</u>	<u>13,797</u>

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 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	
	30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Profit attributable to:				
Owners of the Company	1,807	9,355	17,717	13,813
Non-controlling interests	18	171	(10)	210
	<u>1,825</u>	<u>9,526</u>	<u>17,707</u>	<u>14,023</u>
Total comprehensive income attributable to:				
Owners of the Company	1,707	9,516	17,933	13,608
Non-controlling interests	6	190	14	189
	<u>1,713</u>	<u>9,706</u>	<u>17,947</u>	<u>13,797</u>
Earnings per share:				
- Basic (sen)	<u>1.39</u>	<u>7.20</u>	<u>13.63</u>	<u>10.63</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 30 June 2017

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	(Unaudited) 30.06.2017 RM'000	(Audited) 30.09.2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,821	24,643
Intangible assets	2,719	2,936
Investment properties	1,449	1,469
Investment in joint venture	691	277
Other investments	10	10
Deferred tax assets	3,592	3,343
Total non-current assets	32,282	32,678
Current assets		
Inventories	48,431	51,157
Trade and other receivables	103,532	126,470
Deposits and prepayments	7,010	4,294
Derivative financial assets	8	28
Current tax assets	740	735
Cash and cash equivalents	46,305	36,421
Total current assets	206,026	219,105
TOTAL ASSETS	238,308	251,783
EQUITY AND LIABILITIES		
Equity		
Share capital	69,302	65,000
Reserves	88,109	77,078
Total equity attributable to owners of the Company	157,411	142,078
Non-controlling interests	1,474	1,460
TOTAL EQUITY	158,885	143,538

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2017

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

	Note	(Unaudited) 30.06.2017 RM'000	(Audited) 30.09.2016 RM'000
EQUITY AND LIABILITIES			
(continued)			
Non-current liabilities			
Loans and borrowings	B7	7,612	8,622
Deferred tax liabilities		319	144
Total non-current liabilities		7,931	8,766
Current liabilities			
Loans and borrowings	B7	18,088	34,084
Deferred income		2,554	5,372
Provision for warranties		94	124
Trade and other payables		50,374	58,985
Derivative financial liabilities		382	914
Total current liabilities		71,492	99,479
TOTAL LIABILITIES		79,423	108,245
TOTAL EQUITY AND LIABILITIES		238,308	251,783
Net assets per share attributable to equity holders of the Company (RM)		1.15	1.10

(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 30 June 2017

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>9 Months Period Ended</u>								
<u>30 June 2017</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	-	-	-	216	17,717	17,933	14	17,947
Dividend to owners of the Company	-	-	-	-	(2,600)	(2,600)	-	(2,600)
Transfer in accordance with Section 618(2) of the Companies Act 2016	4,302	(4,302)	-	-	-	-	-	-
At 30 June 2017	69,302	-	(5)	1,177	86,937	157,411	1,474	158,885
<u>9 Months Period Ended</u>								
<u>30 June 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	-	-	-	(205)	13,813	13,608	189	13,797
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 30 June 2016	65,000	4,302	(3)	877	72,592	142,768	1,070	143,838

(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 30 June 2017

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	9 Months Period Ended	
	30.06.2017	30.06.2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	23,878	18,704
Adjustments for:		
Amortisation of investment properties	20	20
Amortisation of development costs	217	280
Allowance for / (Reversal of) foreseeable losses	52	(388)
(Reversal of) / Provision for warranties	(17)	54
Warranties claimed	(12)	(22)
Depreciation of property, plant and equipment	1,444	1,386
Gain on disposal of property, plant and equipment	(26)	(299)
Fair value (gain) / loss on forward exchange contracts, net	(512)	15,275
Finance costs	1,473	1,441
Finance income	(118)	(83)
Share of (gain) / loss of equity-accounted joint venture, net of tax	(414)	128
Unrealised foreign exchange gain	(130)	(374)
	25,855	36,122
Operating profit before changes in working capital		
Changes in working capital:		
Inventories	2,762	(3,534)
Trade and other receivables, deposits and prepayments	20,045	(52,579)
Trade and other payables and deferred income	(11,177)	13,190
	37,485	(6,801)
Cash generated from / (used in) operations		
Income taxes paid	(6,256)	(3,968)
Interest paid	(638)	(261)
Interest received	118	83
	30,709	(10,947)
Net cash generated from / (used in) operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	44	384
Purchase of property, plant and equipment	(632)	(2,138)
	(588)	(1,754)
Net cash used in investing activities		

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2017

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(The figures have not been audited)

	9 Months Period Ended	
	30.06.2017	30.06.2016
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(2,600)	(2,600)
Share buy-back	-	(1)
(Repayment of) / Proceeds from loans and borrowings	(15,094)	24,786
Repayment of finance lease liabilities	(280)	(297)
Interest paid	(835)	(1,180)
Net cash (used in) / generated from financing activities	(18,809)	20,708
Net increase in cash and cash equivalents	11,312	8,007
Foreign exchange differences on cash held	207	(416)
Cash and cash equivalents at beginning of the financial period	33,792	29,475
Cash and cash equivalents at end of the financial period	45,311	37,066
Cash and cash equivalents included in the statements of cash flows comprise:-		
Deposit	1,300	2,000
Cash and bank balances	35,200	30,823
Liquid investments	9,805	6,003
Bank overdrafts	(994)	(1,760)
	45,311	37,066

(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 30 June 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 / 30 June 2017	4,000	5,050

A7. Dividends Paid and Distributed

During the quarter under review, no dividend was paid.

A8. Segmental Information

Segmental information in respect of the Group’s business activities for the financial year to date ended 30 June 2017.

	Revenue RM’000	Profit before Tax RM’000
Marketing and Distribution	65,066	7,577
Manufacturing	114,623	11,588
Services	30,831	4,713
Reportable segment	<u>210,520</u>	<u>23,878</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>687</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 30 June 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	2,500
At 30 June 2017	<u>11,896</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	
	30.06.2017 RM’000	30.06.2016 RM’000
<u>Boilermech Sdn Bhd (“Boilermech”)</u>		
- Sales of electrical equipment	153	166
<u>CTL Automation Sdn Bhd (“CTL”)</u>		
- Repairs and purchase of elevators parts	(335)	(124)
<u>Platinum Group</u>		
- Sales of power equipment, supply, install, testing and commissioning of electrical work and equipment and maintenance of elevator	215	262
<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	4,181	399

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		%
	30.06.2017	30.06.2016	change	30.06.2017	30.06.2016	change
	RM'000	RM'000		RM'000	RM'000	
Revenue						
Marketing and Distribution	21,467	23,721	(9.5%)	65,066	73,607	(11.6%)
Manufacturing	30,258	50,531	(40.1%)	114,623	130,948	(12.5%)
Services	9,247	11,165	(17.2%)	30,831	22,844	35.0%
Total	60,972	85,417	(28.6%)	210,520	227,399	(7.4%)
Profit before Tax ("PBT")						
Marketing and Distribution	2,133	3,578	(40.4%)	7,577	8,503	(10.9%)
Manufacturing	(853)	7,806	(110.9%)	11,588	6,399	81.1%
Services	1,467	1,149	27.7%	4,713	3,802	24.0%
Total	2,747	12,533	(78.1%)	23,878	18,704	27.7%

The total revenue of the Group for the current quarter decreased by RM24.4 million or 28.6% as compared to the preceding year corresponding quarter due to lower revenue from all segments. Cumulatively, the Group revenue decreased by RM16.9 million or 7.4% as compared to the preceding corresponding period mainly due to lower revenue from Marketing and Distribution and Manufacturing segments.

The total PBT of the Group for the current quarter decreased by RM9.8 million or 78.1%. The main reason was the Group recorded a higher 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 however increased by RM5.2 million or 27.7% due to unrealised foreign exchange gain on fair value valuation.

(i) Marketing and Distribution Segment

Current quarter revenue decreased by RM2.3 million or 9.5% mainly due to lower demand for electrical and electronics ("E&E") components.

Cumulative revenue decreased by RM8.5 million or 11.6% for the same reason.

Current quarter PBT decreased by RM1.4 million or 40.4% corresponding to the lower revenue.

Cumulative PBT decreased by RM0.9 million or 10.9% 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)

(ii) Manufacturing Segment

Current quarter revenue decreased by RM20.3 million or 40.1% mainly due to lower execution of elevator projects.

Cumulative revenue decreased by RM16.3 million or 12.5% for the same reason.

Current quarter PBT decreased by RM8.7 million or 110.9% mainly due to higher unrealised foreign exchange loss on fair value valuation.

Cumulative PBT however increased by RM5.2 million or 81.1% mainly due to unrealised foreign exchange gain on fair value valuation.

(iii) Service Segment

Current quarter revenue decreased by RM1.9 million or 17.2% mainly due to lower execution of Transmission Sub-Station projects.

Cumulative revenue however increased by RM8.0 million or 35.0% mainly due to higher execution of Transmission Sub-Station projects and higher revenue from elevator maintenance contract and repair sales.

Current quarter PBT however increased by RM0.3 million or 27.7% mainly contributed by higher elevator maintenance contract and repair sales.

Cumulative PBT increased by RM0.9 million or 24.0% for the same reason.

B2. Review of Current Financial Quarter Performance against Preceding Quarter

	Individual Financial Quarter Ended		% change
	30.06.2017 RM'000	31.03.2017 RM'000	
Revenue			
Marketing and Distribution	21,467	21,967	(2.3%)
Manufacturing	30,258	35,111	(13.8%)
Services	9,247	9,782	(5.5%)
Total	60,972	66,860	(8.8%)
Profit before Tax ("PBT")			
Marketing and Distribution	2,133	3,048	(30.0%)
Manufacturing	(853)	2,988	(128.5%)
Services	1,467	1,265	16.0%
Total	2,747	7,301	(62.4%)

**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 RM5.9 million or 8.8% against preceding quarter due to lower revenue from all segments.

The total PBT of the Group for the current quarter decreased by RM4.6 million or 62.4% corresponding with lower revenue recorded.

(i) Marketing and Distribution Segment

Revenue decreased by RM0.5 million or 2.3% due to lower revenue from E&E components.

Current quarter PBT decreased by RM0.9 million or 30.0% corresponding to the lower revenue and higher provision for obsolete stock.

(ii) Manufacturing Segment

Current quarter revenue decreased by RM4.9 million or 13.8% mainly due to lower execution of elevator projects.

Current quarter PBT decreased by RM3.8 million or 128.5% mainly due to the lower revenue recorded and unrealised foreign exchange loss on fair value valuation.

(iii) Services Segment

Current quarter revenue decreased by RM0.5 million or 5.5% mainly due to lower revenue from elevator maintenance contract and project execution of electrical and security system.

Current quarter PBT however increased by RM0.2 million or 16.0% mainly due to lower operating costs.

B3. Commentary on Prospects

The medium term business environment of the Group is anticipated to remain 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 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 30.06.2017 RM'000	Cumulative Financial Quarter Ended 30.06.2017 RM'000
Current tax expense		
Malaysia - current period	1,183	6,147
- prior period	104	218
Overseas - current period	82	139
Double tax deduction	(69)	(197)
Total current tax recognised in profit or loss	1,300	6,307
Deferred tax expense		
Origination and reversal of temporary differences	(471)	(113)
Under / (Over) provision in prior year	93	(23)
Total deferred tax recognised in profit or loss	(378)	(136)
Total tax expense	<u>922</u>	<u>6,171</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 proceeds raised from the Company's Initial Public Offering was RM17.48 million and the status of utilisation of proceeds as at 30 June 2017 is as follows:-

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

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

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	(4,832)	-	4,019*	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	(11,161)	-	6,319	

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 30.06.2017 RM'000	As at 30.06.2016 RM'000
Non-current		
Finance lease liabilities	739	1,105
Term loan – secured	6,873	7,860
	<u>7,612</u>	<u>8,965</u>

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

B7. Group Borrowings (Cont'd)

	As at 30.06.2017 RM'000	As at 30.06.2016 RM'000
Current		
Finance lease liabilities	362	361
Term loan – secured	970	915
Bill payable – unsecured	15,762	27,624
Bank overdrafts – unsecured	994	1,760
	<u>18,088</u>	<u>30,660</u>
Total group borrowing	<u>25,700</u>	<u>39,625</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 on 24 May 2017 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.

**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	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Profit for the period attributable to owners (RM'000)	1,807	9,355	17,717	13,813
Weighted average number of ordinary shares in issue ('000)	130,000	130,000	130,000	130,000
Basic EPS (sen)	<u>1.39</u>	<u>7.20</u>	<u>13.63</u>	<u>10.63</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 30 June 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>56,963</u>	<u>(374)</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 30.06.2017 RM'000	As at 31.03.2017 RM'000
Total retained profits of the Company and its subsidiaries:		
- realised	91,441	88,727
- unrealised	1,795	2,767
	<u>93,236</u>	<u>91,494</u>
Total share of retained profits / (accumulated losses) of joint venture:		
- realised	203	114
- unrealised	(12)	(12)
	<u>93,427</u>	<u>91,596</u>
Less: Consolidation adjustments	<u>(6,490)</u>	<u>(6,466)</u>
The retained earnings as per condensed consolidated financial statements	<u>86,937</u>	<u>85,130</u>

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

	Individual Financial Quarter Ended		Year-to-date Ended	
	30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Profit for the period is arrived after charging / (crediting):				
Allowance for / (Reversal of) diminution in value of other investment	2	2	(1)	(4)
Bad debts written off	-	192	-	192
Depreciation and amortisation	547	559	1,681	1,686
Provision for / (Reversal of) allowance for doubtful debts	78	130	1,231	(444)
Inventories written down to net realisable value	115	488	605	787
Gain on disposal of property, plant and equipment	(26)	(207)	(26)	(299)
Foreign exchange gain, net	(459)	(14)	(693)	(6,166)
(Reversal of) / Allowance for foreseeable loss	(100)	(47)	52	(388)
Fair value changes on forward exchange contracts	1,102	(1,057)	(512)	15,275
Provision for / (Reversal of) warranties	5	9	(17)	54



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 22 August 2017.