

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

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*(The figures have not been audited)*

	Individual Financial				Cumulative Financial			
	Quarter Ended		Changes		Quarter Ended		Changes	
	30.09.2017	30.09.2016	RM'000	%	30.09.2017	30.09.2016	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	60,160	60,633	(473)	(0.8%)	270,680	288,032	(17,352)	(6.0%)
<b>Results from operating activities</b>	2,945	3,413	(468)	(13.7%)	27,764	23,603	4,161	17.6%
Finance costs	(232)	(556)	324	58.3%	(1,705)	(1,997)	292	14.6%
Finance income	89	42	47	111.9%	207	125	82	65.6%
Net finance costs	(143)	(514)	371	72.2%	(1,498)	(1,872)	374	20.0%
Share of gain / (loss) of equity-accounted joint venture, net of tax	11	(95)	106	111.6%	425	(223)	648	290.6%
<b>Profit before tax</b>	2,813	2,804	9	0.3%	26,691	21,508	5,183	24.1%
Tax expense	(750)	(593)	(157)	(26.5%)	(6,921)	(5,274)	(1,647)	(31.2%)
<b>Profit for the period</b>	2,063	2,211	(148)	(6.7%)	19,770	16,234	3,536	21.8%

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

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

*(The figures have not been audited)*

	Individual Financial				Cumulative Financial			
	Quarter Ended		Changes		Quarter Ended		Changes	
	30.09.2017	30.09.2016	RM'000	%	30.09.2017	30.09.2016	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
<b>Other comprehensive income, net of tax</b>								
Foreign currency translation differences for foreign operations	(24)	91	(115)	(126.4%)	216	(135)	351	260.0%
Total other comprehensive (expense) / income for the period	(24)	91	(115)	(126.4%)	216	(135)	351	260.0%
<b>Total comprehensive income for the period</b>	<u>2,039</u>	<u>2,302</u>	<u>(263)</u>	<u>(11.4%)</u>	<u>19,986</u>	<u>16,099</u>	<u>3,887</u>	<u>24.1%</u>
<b>Profit attributable to:</b>								
Owners of the Company	2,204	1,828	376	20.6%	19,921	15,641	4,280	27.4%
Non-controlling interests	(141)	383	(524)	(136.8%)	(151)	593	(744)	(125.5%)
	<u>2,063</u>	<u>2,211</u>	<u>(148)</u>	<u>(6.7%)</u>	<u>19,770</u>	<u>16,234</u>	<u>3,536</u>	<u>21.8%</u>

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

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

*(The figures have not been audited)*

	Individual Financial				Cumulative Financial			
	Quarter Ended		Changes		Quarter Ended		Changes	
	30.09.2017	30.09.2016	RM'000	%	30.09.2017	30.09.2016	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
<b>Total comprehensive income</b>								
<b>attributable to:</b>								
Owners of the Company	2,181	1,912	269	(14.1%)	20,114	15,520	4,594	29.6%
Non-controlling interests	(142)	390	(532)	(136.4%)	(128)	579	(707)	(122.1%)
	<u>2,039</u>	<u>2,302</u>	<u>(263)</u>	<u>(11.4%)</u>	<u>19,986</u>	<u>16,099</u>	<u>3,887</u>	<u>24.1%</u>
<b>Earnings per share:</b>								
- Basic (sen)	<u>1.70</u>	<u>1.41</u>			<u>15.32</u>	<u>12.03</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 September 2017**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*(The figures have not been audited)*

	(Unaudited) 30.09.2017 RM'000	(Audited) 30.09.2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	23,702	24,643
Intangible assets	2,677	2,936
Investment properties	1,442	1,469
Investment in joint venture	702	277
Other investments	10	10
Deferred tax assets	3,801	3,343
<b>Total non-current assets</b>	32,334	32,678
<b>Current assets</b>		
Inventories	43,936	51,157
Trade and other receivables	103,411	127,622
Deposits and prepayments	4,900	4,294
Derivative financial assets	3	28
Current tax assets	1,197	735
Cash and cash equivalents	45,087	36,421
<b>Total current assets</b>	198,534	220,257
<b>TOTAL ASSETS</b>	230,868	252,935
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	69,302	65,000
Reserves	87,690	77,078
Total equity attributable to owners of the Company	156,992	142,078
Non-controlling interests	1,332	1,460
<b>TOTAL EQUITY</b>	158,324	143,538

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

*(The figures have not been audited)*

	Note	(Unaudited) 30.09.2017 RM'000	(Audited) 30.09.2016 RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>(continued)</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	B7	7,287	8,622
Deferred tax liabilities		338	144
<b>Total non-current liabilities</b>		7,625	8,766
<b>Current liabilities</b>			
Loans and borrowings	B7	9,993	34,084
Deferred income		909	5,372
Provision for warranties		1,006	1,276
Trade and other payables		52,718	58,985
Derivative financial liabilities		293	914
<b>Total current liabilities</b>		64,919	100,631
<b>TOTAL LIABILITIES</b>		<u>72,544</u>	<u>109,397</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>230,868</u>	<u>252,935</u>
<b>Net assets per share attributable to equity holders of the Company (RM)</b>		1.21	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 September 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>12 Months Period Ended</u> <u>30 September 2017</u>	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	RM'000	RM'000	
At 1 October 2016	65,000	4,302	(5)	961	71,820	<b>142,078</b>	1,460	<b>143,538</b>	
Total comprehensive income for the year	-	-	-	193	19,921	<b>20,114</b>	(128)	<b>19,986</b>	
Dividend to owners of the Company	-	-	-	-	(5,200)	<b>(5,200)</b>	-	<b>(5,200)</b>	
Transfer in accordance with Section 618(2) of the Companies Act 2016	4,302	(4,302)	-	-	-	-	-	-	
At 30 September 2017	<b>69,302</b>	-	<b>(5)</b>	<b>1,154</b>	<b>86,541</b>	<b>156,992</b>	<b>1,332</b>	<b>158,324</b>	
<u>12 Months Period Ended</u> <u>30 September 2016</u>	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	RM'000	RM'000	
At 1 October 2015	65,000	4,302	(2)	1,082	61,379	<b>131,761</b>	625	<b>132,386</b>	
Total comprehensive income for the year	-	-	-	(121)	15,641	<b>15,520</b>	579	<b>16,099</b>	
Acquisition of subsidiary company	-	-	-	-	-	-	256	<b>256</b>	
Dividend to owners of the Company	-	-	-	-	(5,200)	<b>(5,200)</b>	-	<b>(5,200)</b>	
Share buy-back	-	-	(3)	-	-	<b>(3)</b>	-	<b>(3)</b>	
At 30 September 2016	<b>65,000</b>	<b>4,302</b>	<b>(5)</b>	<b>961</b>	<b>71,820</b>	<b>142,078</b>	<b>1,460</b>	<b>143,538</b>	

*(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 September 2017**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

*(The figures have not been audited)*

	<b>12 Months Period Ended</b>	
	<b>30.09.2017</b>	<b>30.09.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	26,691	21,508
Adjustments for:		
Amortisation of investment properties	26	26
Amortisation of development costs	259	372
Reversal of liquidated and ascertained damages	-	(46)
Reversal of foreseeable losses	(58)	(409)
Provision for warranties	44	71
Warranties claimed	(313)	(22)
Depreciation of property, plant and equipment	1,885	1,879
Gain on disposal of property, plant and equipment	(24)	(299)
Fair value (gain) / loss on forward exchange contracts	(596)	12,228
Finance costs	1,705	1,997
Finance income	(207)	(125)
Share of (gain) / loss of equity-accounted joint venture, net of tax	(425)	223
Unrealised foreign exchange gain	(162)	(52)
	28,825	37,351
Operating profit before changes in working capital		
Changes in working capital:		
Inventories	7,253	(10,064)
Trade and other receivables, deposits and prepayments	23,529	(47,114)
Trade and other payables and deferred income	(10,305)	14,341
	49,302	(5,486)
Cash generated from / (used in) operations		
Income taxes paid	(7,652)	(7,074)
Interest paid	(618)	(413)
Interest received	207	125
	41,239	(12,848)
<b>Net cash generated from / (used in) operating activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	46	384
Purchase of property, plant and equipment	(1,054)	(2,867)
	(1,008)	(2,483)
<b>Net cash used in investing activities</b>		

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**

*(The figures have not been audited)*

	<b>12 Months Period Ended</b>	
	<b>30.09.2017</b>	<b>30.09.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to owners of the Company	(5,200)	(5,200)
Share buy-back	-	(3)
(Repayment of) / Proceeds from loans and borrowings	(23,470)	27,088
Repayment of finance lease liabilities	(374)	(387)
Interest paid	(1,087)	(1,584)
<b>Net cash (used in) / generated from financing activities</b>	<b>(30,131)</b>	<b>19,914</b>
<b>Net increase in cash and cash equivalents</b>	<b>10,100</b>	<b>4,583</b>
<b>Foreign exchange differences on cash held</b>	<b>151</b>	<b>(266)</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>33,792</b>	<b>29,475</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>44,043</b>	<b>33,792</b>
Cash and cash equivalents included in the statements of cash flows comprise:-		
Deposit	2,500	5,000
Cash and bank balances	30,166	29,304
Liquid investments	12,421	2,117
Bank overdrafts	(1,044)	(2,629)
	<b>44,043</b>	<b>33,792</b>

*(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”)**

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**A1. Basis of Preparation**

The unaudited interim financial statements for the year ended 30 September 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:

<b><i>MFRSs, Interpretations and Amendments to MFRSs and IC Interpretation</i></b>	<b><i>Effective for annual periods beginning on or after</i></b>
- 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)**

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**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:-**

	<b>No. of Shares</b>	<b>Amount RM</b>
Balance as at 1 October 2016 / 30 September 2017	4,000	5,050

**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 2017. The dividend was paid to the shareholders of the Company on 26 July 2017.

**A8. Segmental Information**

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

	<b>Revenue RM’000</b>	<b>Profit before Tax RM’000</b>
Marketing and Distribution	86,690	9,908
Manufacturing	146,138	9,079
Services	37,852	7,704
Reportable segment	<u>270,680</u>	<u>26,691</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	<b>RM'000</b> <u>736</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	<b>RM'000</b> 149,350
Increase in borrowing facilities	35,000
At 30 September 2017	<u>184,350</u>

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

At 1 October 2016	<b>RM'000</b> 9,396
Addition	2,416
At 30 September 2017	<u>11,812</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:

<b>Company</b>	<b>Relationship</b>
Boilermech Sdn Bhd (“Boilermech”)	A company in which a director and substantial shareholder is also the former 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.

	<b>Cumulative Financial Quarter Ended</b>	
	<b>30.09.2017 RM’000</b>	<b>30.09.2016 RM’000</b>
<u>Boilermech Sdn Bhd (“Boilermech”)</u>		
- Sales of electrical equipment	158	204
<u>CTL Automation Sdn Bhd (“CTL”)</u>		
- Repairs and purchase of elevators parts	(494)	(176)
- Sales of electrical equipment	85	-
<u>Platinum Group</u>		
- Sales of power equipment, supply, install, testing and commissioning of electrical work and equipment and maintenance of elevator	215	311
<u>QL Endau Marine Products Sdn Bhd (“QLEMP”)</u>		
- Sales of electrical equipment	4	232
<u>Sigriner Automation (MFG) Sdn Bhd (“Sigriner”)</u>		
- Sales of elevator controllers and components and provision of management services	162	488
- Purchase of elevator controllers	(5,583)	(333)

**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	%
	30.09.2017	30.09.2016	change	30.09.2017	30.09.2016	change
	RM'000	RM'000		RM'000	RM'000	
<b>Revenue</b>						
Marketing and						
Distribution	21,624	20,732	4.3%	86,690	94,339	(8.1%)
Manufacturing	31,515	25,139	25.4%	146,138	156,087	(6.4%)
Services	7,021	14,762	(52.4%)	37,852	37,606	0.7%
<b>Total</b>	<b>60,160</b>	<b>60,633</b>	<b>(0.8%)</b>	<b>270,680</b>	<b>288,032</b>	<b>(6.0%)</b>
<b>Profit before Tax ("PBT")</b>						
Marketing and						
Distribution	2,331	1,207	93.1%	9,908	9,710	2.0%
Manufacturing	(2,509)	(1,471)	(70.6%)	9,079	4,928	84.2%
Services	2,991	3,068	(2.5%)	7,704	6,870	12.1%
<b>Total</b>	<b>2,813</b>	<b>2,804</b>	<b>0.3%</b>	<b>26,691</b>	<b>21,508</b>	<b>24.1%</b>

The total revenue of the Group for the current quarter decreased by RM0.5 million or 0.8% as compared to the preceding year corresponding quarter due to lower revenue from Services segment. Cumulatively, the Group revenue decreased by RM17.4 million or 6.0% 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 increased by RM0.01 million or 0.3%. Cumulatively, the Group PBT increased by RM5.2 million or 24.1%. The main reason was the Group recorded a higher unrealised foreign exchange gain on fair value valuation of the forward exchange contracts compared to the preceding year.

(i) Marketing and Distribution Segment

Current quarter revenue increased by RM0.9 million or 4.3% mainly due to higher demand for electrical and electronics ("E&E") components.

Cumulative revenue however decreased by RM7.6 million or 8.1% due to lower demand.

Current quarter PBT increased by RM1.1 million or 93.1% mainly due to higher sales for better margin products from different product mix.

Cumulative PBT increased by RM0.2 million or 2.0% 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 increased by RM6.4 million or 25.4% mainly due to higher execution of elevator projects.

Cumulative revenue however decreased by RM9.9 million or 6.4% mainly due to lower execution of elevator projects and lower revenue from Ballast.

Current quarter PBT decreased by RM1.0 million or 70.6% mainly due to higher unrealised foreign exchange loss on fair value valuation.

Cumulative PBT increased by RM4.2 million or 84.2% mainly due to unrealised foreign exchange gain on fair value valuation of the forward exchange contracts. However, this was partially offset with foreign exchange loss and higher provision of stock loss.

(iii) Service Segment

Current quarter revenue decreased by RM7.7 million or 52.4% mainly due to lower execution of Transmission Sub-Station projects.

Cumulative revenue however increased by RM0.2 million or 0.7% mainly due to higher revenue from elevator maintenance contract and repair sales.

Current quarter PBT decreased by RM0.1 million or 2.5% corresponding to the lower revenue.

Cumulative PBT however increased by RM0.8 million or 12.1% mainly contributed from elevator maintenance contract and repair sales.

**B2. Review of Current Financial Quarter Performance against Preceding Quarter**

	<b>Individual Financial Quarter Ended</b>		<b>% change</b>
	<b>30.09.2017 RM'000</b>	<b>30.06.2017 RM'000</b>	
<b>Revenue</b>			
Marketing and Distribution	21,624	21,467	0.7%
Manufacturing	31,515	30,258	4.2%
Services	7,021	9,247	(24.1%)
<b>Total</b>	<b>60,160</b>	<b>60,972</b>	<b>(1.3%)</b>
<b>Profit before Tax ("PBT")</b>			
Marketing and Distribution	2,331	2,133	9.3%
Manufacturing	(2,509)	(853)	(194.1%)
Services	2,991	1,467	103.9%
<b>Total</b>	<b>2,813</b>	<b>2,747</b>	<b>2.4%</b>

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

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

The total revenue of the Group for the current quarter decreased by RM0.8 million or 1.3% against preceding quarter due to lower revenue from Services segment.

The total PBT of the Group for the current quarter however increased by RM0.1 million or 2.4% mainly due to unrealised foreign exchange gain on fair value valuation of the forward exchange contracts compared to the preceding quarter. However, this was partially offset with higher provision of stock loss.

(i) Marketing and Distribution Segment

Current quarter revenue increased by RM0.2 million or 0.7% due to higher demand for E&E components.

Current quarter PBT increased by RM0.2 million or 9.3% for the same reason.

(ii) Manufacturing Segment

Current quarter revenue increased by RM1.3 million or 4.2% mainly due to higher execution of elevator projects and higher revenue from Ballast.

Current quarter PBT however decreased by RM1.7 million or 194.1% mainly due to higher provision for stock loss and execution of elevator projects with lower profit margins.

(iii) Services Segment

Current quarter revenue decreased by RM2.2 million or 24.1% mainly due to lower execution of Transmission Sub-Station projects.

Current quarter PBT however increased by RM1.5 million or 103.9% mainly contributed by elevator maintenance contract and repair sales that have recorded higher gross profit margin as well as reversal of provision for doubtful debts.

**B3. Commentary on Prospects**

Generally, the business environment of the Group remains challenging. With the current order book and ongoing projects in hand and 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 the financial quarter ending 31 December 2017.

**B4. Profit Forecast**

Profit forecast was not provided.



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

**B5. Tax Expense**

	<b>Individual Financial Quarter Ended 30.09.2017 RM'000</b>	<b>Cumulative Financial Quarter Ended 30.09.2017 RM'000</b>
<b>Current tax expense</b>		
Malaysia - current period	1,076	7,223
- prior period	2	220
Overseas - current period	60	199
Double tax deduction	(150)	(347)
Total current tax recognised in profit or loss	988	7,295
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(275)	(388)
Under provision in prior year	37	14
Total deferred tax recognised in profit or loss	(238)	(374)
Total tax expense	<u>750</u>	<u>6,921</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 RM17.5 million and the status of utilisation of proceeds as at 30 September 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	(4,926)	-	3,925*	Within 72 months
(ii) Expansion in R&D	3,750	(3,175)	-	575*	Within 72 months
(iii) Working capital	2,079	(2,127)	48	-	Within 12 months
(iv) Estimated listing expenses	2,800	(2,752)	(48)	-	Immediate
<b>Total Public Issue Proceeds</b>	<b>17,480</b>	<b>(12,980)</b>	<b>-</b>	<b>4,500</b>	

**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.

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

**B7. Group Borrowings**

	As at 30.09.2017		
	Long Term RM	Short Term RM	Total Borrowings RM
<b>Secured</b>			
Finance lease liabilities	661	345	1,006
Term Loan	6,626	979	7,605
<b>Unsecured</b>			
Bill payables	-	7,625	7,625
Bank overdrafts	-	1,044	1,044
	7,287	9,993	17,280

	As at 30.09.2016		
	Long Term RM	Short Term RM	Total Borrowings RM
<b>Secured</b>			
Finance lease liabilities	1,017	360	1,377
Term Loan	7,605	943	8,548
<b>Unsecured</b>			
Bill payables	-	30,152	30,152
Bank overdrafts	-	2,629	2,629
	8,622	34,084	42,706

**B8. Change in Material Litigations**

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

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

**B9. Proposed Dividend**

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 September 2017 of 3.0 sen per ordinary share under the single tier system amounting to RM3.9 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 26 July 2017, it will bring the total dividend payout in respect of the financial year ended 30 September 2017 to 5.0 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	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Profit for the period attributable to owners (RM'000)	2,204	1,828	19,921	15,641
Weighted average number of ordinary shares in issue ('000)*	129,996	130,000	129,996	130,000
Basic EPS (sen)	<u>1.70</u>	<u>1.41</u>	<u>15.32</u>	<u>12.03</u>

Note:

\* The weighted average number of ordinary shares outstanding during 30 September 2017 excluding treasury shares held by the Company.

**(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 September 2017 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	<u>52,769</u>	<u>(290)</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**

	<b>As at 30.09.2017 RM'000</b>	<b>As at 30.06.2017 RM'000</b>
Total retained profits of the Company and its subsidiaries:		
- realised	89,377	91,441
- unrealised	2,323	1,795
	<u>91,700</u>	<u>93,236</u>
Total share of retained profits / (accumulated losses) of joint venture:		
- realised	195	203
- unrealised	7	(12)
	<u>91,902</u>	<u>93,427</u>
Less: Consolidation adjustments	<u>(5,361)</u>	<u>(6,490)</u>
The retained earnings as per condensed consolidated financial statements	<u>86,541</u>	<u>86,937</u>

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

	<b>Individual Financial Quarter Ended</b>		<b>Year-to-date Ended</b>	
	<b>30.09.2017 RM'000</b>	<b>30.09.2016 RM'000</b>	<b>30.09.2017 RM'000</b>	<b>30.09.2016 RM'000</b>
<b>Profit for the period is arrived after charging / (crediting):</b>				
(Reversal of) / Allowance for diminution in value of other investment	(5)	3	(5)	(1)
Bad debts (recovered) / written off	(67)	15	(67)	207
Depreciation and amortisation	489	591	2,170	2,277
(Reversal of) / Provision for allowance for doubtful debts	(548)	58	683	(386)
Inventories written down to net realisable value	1,825	1,286	2,430	2,073
Loss / (Gain) on disposal of property, plant and equipment	2	-	(24)	(299)
Foreign exchange loss / (gain), net	78	1,862	(615)	(4,304)
Reversal of foreseeable loss	(110)	(21)	(58)	(409)
Fair value (gain) / loss on forward exchange contracts	(84)	(3,047)	(596)	12,228
Provision of warranties	61	17	44	71



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

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

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**B14. Authority for Issue**

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Directors dated 23 November 2017.